

AGENDA

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, June 24, 2015 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tusayan Town Council and to the general public that the Tusayan Town council will hold a meeting open to the public on Wednesday, June 24, 2015 at the Tusayan Town Hall Building. If authorized by a majority vote of the Tusayan Town Council, an executive session may be held immediately after the vote and will not be open to the public. The Council may vote to go into executive session pursuant to A.R.S. § 38-431.03.A.3 for legal advice concerning any matter on the agenda, including those items set forth in the consent and regular agenda sections. The Town Council may change, in its discussion, the order in which any agenda items are discussed during the course of the meeting.

Persons with a disability may request a reasonable accommodation by contacting the Town Manager at (928) 638-9909 as soon as possible.

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today's meeting.

TOWN COUNCIL REGULAR MEETING AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ROLL CALL

MAYOR GREG BRYAN

VICE MAYOR CRAIG SANDERSON

COUNCILMEMBER BILL FITZGERALD

COUNCILMEMBER AL MONTOYA

COUNCILMEMBER JOHN RUETER

❖ *One or two Council Members may attend by telephone*

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Members of the public may address the Council on items not on the printed agenda. The Council may not discuss, consider or act upon any matter raised during public comment. Comments will be limited to three minutes per person.

Members of the audience who wish to speak to the Council on an item listed as Public Hearing should complete a Request to Speak Card and turn it into the Town Clerk. Speakers will be limited to three minutes each.

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

Tusayan Fire District Fire Wise presentation

5. CONSENT AGENDA

Items on the consent agenda are routine in nature and will be acted on with one motion and one vote. Members of the council or staff may ask the mayor to remove any item from the consent agenda to be discussed and acted upon separately.

A. Minutes of the Town Council Regular Meeting on 6/3/15

B. Accounts Payable Billings

6. WORK GROUP AND COMMITTEE REPORTS

- A. Update on the Sports Complex Work Group**
- B. Update on the Planning and Zoning Commission**
- C. Update on Affordable Housing**

7. ACTION ITEMS

- A. Consideration, discussion, and possible approval of Resolution 2015-06 supporting US Senate Bill 1416, a bill to prevent the President from changing the federal water-rights designation of lands declared to be national monuments**
- B. Consideration, discussion, and possible approval of Resolution 2015-07 and an Intergovernmental Agreement between the Town of Tusayan and the Arizona Department of Revenue related to Uniform Administration of the Town's Transaction Privilege Tax**
- C. Consideration, discussion, and possible approval of supporting an effort by the Town of Mammoth, Arizona to increase state funding for small towns**
- D. Consideration, discussion, and possible approval of pursuing the USDA Rural Community Development Initiative (RCDI) Grant for Tusayan Broadband Improvements**
- E. Consideration, discussion, and possible selection of a date for a special Council meeting for a Public Hearing on a liquor license Acquisition of Control for Plaza Bonita Restaurant**
- F. Consideration, discussion, and possible action to cancel or move the regular meeting scheduled for August 19, 2015**
- G. Consideration, discussion, and possible approval of Bid Packet for dirt work at the Sports Complex**
- H. Consideration, discussion, and possible approval of Bid Packet for restrooms and ADA improvements at the Sports Complex**
- I. Consideration, discussion, and possible approval of reimbursement rates for Town Magistrate Office**
- J. Consideration, discussion, and possible action regarding review of Interim Town Manager resumes and process for selection**

The Town Council may decide to go into executive session pursuant to A.R.S. § 38-431.03.A.1 for discussion or consideration of persons to serve as Interim Town Manager. Following the executive session, the Council may act to appoint the Mayor and Vice-Mayor to serve as a subcommittee of the Council in order to (i) interview candidates to serve as Interim Town Manager; (ii) select a person to serve as Interim Town Manager; and (iii) authorize a contract with Interim Public Management to make such person available to serve as Interim Town Manager.

8. DISCUSSION ITEMS

- A. Presentation of map from map integration project (Woodson Engineering)
- B. Update on hydrologic analysis and drainage improvements (Woodson Engineering)

9. TOWN MANAGER'S REPORT

10. FUTURE AGENDA ITEMS

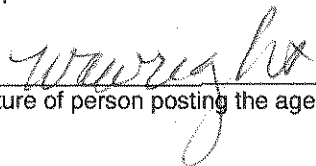
11. COUNCIL MEMBERS' REPORTS

12. MAYOR'S REPORT

13. MOTION TO ADJOURN

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the General Store in Tusayan, Arizona on this 22nd day of June, 2015, at 10:50 AM ~~pm~~ in accordance with the statement filed by the Tusayan Town Council.



Signature of person posting the agenda

ITEM NO. 5A

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

Wednesday, June 3, 2015 at 6:00pm

TUSAYAN TOWN HALL BUILDING

845 Mustang Drive, Tusayan Arizona

TOWN COUNCIL SUMMARIZED MINUTES

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:23pm and the Pledge of Allegiance was recited.

2. ROLL CALL

MAYOR GREG BRYAN

VICE MAYOR CRAIG SANDERSON

COUNCILMEMBER BILL FITZGERALD

COUNCILMEMBER AL MONTOYA

COUNCILMEMBER JOHN RUETER

Also present were:

Will Wright, Town Manager

Melissa M. Drake, Town Clerk

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Clarinda Vail addressed the Council on an item of concern. She stated that the Town has discussed improving housing in Tusayan and thanked the Council for their support on Red Feather Properties' considerable efforts to move away from manufactured homes.

Ms. Vail stated that Camper Village currently has between 28 and 30 permanent RVs on the parcel and she distributed photos to the Council. She stated that she has heard that recent additions are for Papillon pilots. She stated that no Tusayan zoning case has allowed RVs to be used as residences but that is what is occurring there.

She asked the Council to act to remedy the situation. She stated that the Town is not enforcing its own regulations. She also stated that, in the past, the Town and the County would not process new plans until current violations are resolved. New plans have been submitted for this parcel and the current situation should be addressed.

Ms. Vail stated that her opinion is that this is unsafe, unfair, and hurting the aesthetics of Tusayan.

4. CEREMONIAL AND/OR INFORMATIONAL MATTERS

None

5. CONSENT AGENDA

A. Minutes of the Town Council Regular Meeting on 5/21/15

B. Accounts Payable Billings

Councilmember Montoya made a motion to approve the Consent Agenda.
Councilmember Rueter seconded the motion and it passed on unanimous vote.

6. WORKGROUP AND COMMITTEE REPORTS

A. Update on the Sports Complex Work Group

None

B. Update from the Planning and Zoning Commission

Manager Wright stated that the latest version of the Subdivision Regulations were sent out today to the Council, Planning and Zoning Commission, and the community distribution list in preparation for the June 23rd Planning and Zoning Commission meeting.

C. Update on Affordable Housing

Manager Wright stated that there was none other than the minutes which were just approved and Action Item 7.B.

7. ACTION ITEMS

A. Consideration, discussion, and possible approval of the Tentative Town Budget for Fiscal Year 2015-2016

Manager Wright stated that the final budget totals approved tonight can only be decreased when the final budget is approved, no increases made be made to the budget totals.

The Council discussed the Tentative Budget with Manager Wright.

Councilmember Montoya made a motion to approve the Tentative Town Budget for Fiscal Year 2015-2016. Councilmember Rueter seconded the motion.

Councilmember Fitzgerald stated his opposition to the \$1.2 million Enterprise Water Fund being included in the budget. He stated that there was no reason to include it since there are no plans for this item.

Councilmember Fitzgerald made a motion to amend the first motion by removing the Enterprise Water Fund from the budget. There was no second for the amendment motion.

Clarinda Vail asked for an explanation of the line item. Mayor Bryan stated that the money is in the budget in case the Town has the opportunity to purchase a water company.

The motion to approve the Tentative Town Budget for Fiscal Year 2015-2016 passed on a vote of 4 to 1 with Councilmember Fitzgerald voting "No."

B. Consideration, discussion, and possible approval of phases for land planning work for Kotzin Ranch by Catalyst Architecture 6:40pm

Manager Wright introduced the proposal from Catalyst Architecture which was included in the Agenda Packet. He also stated that this would include a mailer survey to try to gather more public input.

Vice Mayor Sanderson stated that this is an interim step in the process since the location of the access road is uncertain at this time.

The Council discussed several options that may or may not need input from the Forest Service. Mayor Bryan suggested that Catalyst Architecture list the questions in a letter (not request a meeting) to the Forest Service since the Forest Service has been very clear that they cannot commit to anything until the application process is complete.

Councilmember Rueter made a motion to approve Items 3, 4, 5, and 6 at the amounts listed in the proposal from Catalyst Architecture for a total of approximately \$10,500. Vice Mayor Sanderson seconded the motion. The Council continued discussing the options. The motion passed on unanimous vote.

C. Consideration, discussion, and possible approval of supporting an effort by the Town of Mammoth, Arizona to increase state funding for small towns

Manager Wright stated that this item was included in the Manager's Report at the last meeting and Council directed that it be brought back for further discussion and possible action.

Councilmember Rueter stated that there are funds out there that the Town should pursue and he supports the effort. The Council discussed the request from the Town of Mammoth in detail and questioned whether or not making a change to the driver's licensing process would actually generate funds or cost the state more.

Mayor Bryan or Manager Wright will contact the Mayor of the Town of Mammoth to request revenue projections on each item proposed, ask for information on the feedback he has received, and inform him that this Council opposes the driver's license portion of this request.

D. Consideration, discussion, and possible action on Performance Evaluation of the Town Manager

Mayor Bryan stated that the Council met at 5pm this evening on this topic and will continue tomorrow evening at 6:45pm.

8. DISCUSSION ITEM

Update and Discussion of CDBG Project

Manager Wright stated that some legal issues have arisen regarding tying into the utilities on the Vail property so Woodson Engineering is working on another option involving a vault and haul restroom with reclaimed water for flushing, hand sanitizer and no sinks, and possibly haul potable water for a drinking fountain.

Council Member Rueter stated that he was in favor of this new solution. The Council discussed some of the specifics of the new solution as well as changes in costs.

9. TOWN MANAGER'S REPORT

Manager Wright noted that his report was in the packet and answered the following:

- Councilmember Montoya asked Manager Wright to follow up with the Sanitary District to find out if there was a failure of the reclaimed water system last week
- The Council discussed the issues involving ADOT approval of landscape maintenance and banners on the Highway 64 right-of-way
- There has been no response from several vendors regarding selling logs at the Sports Complex. The School District has authority to deal with the logs.
- There were over 14,000 pages of submissions regarding the Forest Service Access Application
- Manager Wright asked the Council for their input on options for the Town sign portion of the Service Organization sign at the south entrance to Town. They agreed on one from the list of options.

10. FUTURE AGENDA ITEMS

- 6/24/15 – CDBG Project Update
- 6/24/15 – Update on lease tax and which property owners are paying
- 6/24/15 – Discussion of how other communities handle bank accounts

11. COUNCIL MEMBERS' REPORTS

Councilmember Montoya stated that he has been asked to be on the panel for hiring the next TFD Fire Chief and asked that Council send any input or suggestions to the Town Manager who can convey it to him.

Mayor Bryan stated that Ann Serna has resigned from the TFD Board due to a conflict issue with spouses serving on the same board. He stated he spoke with Ms. Serna prior to her resignation regarding the Town's involvement in the hiring process. She requested that a Councilmember be part of the panel and Mayor Bryan requested Councilmember Montoya.

12. MAYOR'S REPORT

Mayor Bryan stated there was a conference call regarding Century Link and community needs. This included Grand Canyon National Park and Tusayan. Another call will be occurring soon.

The Mayor will be attending a NACOG meeting and an APS meeting tomorrow.

13. MOTION TO ADJOURN

Vice Mayor Sanderson made a motion to adjourn the meeting at 8:11pm.
Councilmember Montoya seconded the motion and it passed on unanimous vote.

ATTEST:

Greg Bryan, Mayor

Date

Melissa M. Drake, Town Clerk

CERTIFICATION

State of Arizona)
) ss.
Coconino County)

I, Melissa M. Drake, do hereby certify that I am the Town Clerk of the Town of Tusayan, County of Coconino, State of Arizona, and that the above minutes are a true and correct summary of the meeting of the Council of the Town of Tusayan held on June 3, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 16th day of June, 2015

Town Clerk

ITEM NO. 7A

RESOLUTION NO. 2015-06

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF TUSAYAN,
COCONINO COUNTY, ARIZONA SUPPORTING US SENATE BILL 1416, A BILL TO
PREVENT THE PRESIDENT FROM CHANGING THE FEDERAL WATER-RIGHTS
DESIGNATION OF LANDS DECLARED TO BE NATIONAL MONUMENTS**

WHEREAS, the United States Senate, in its current legislative session, will be considering whether to approve US Senate Bill 1416, a bill which would amend the Antiquities Act to prohibit the president from unilaterally creating a federal reserved water right when designating a national monument, and

WHEREAS, a federal reserved water right for a national monument could have far-reaching consequences for privately held water rights, and

WHEREAS, US Senate Bill 1416 would restrict the President's power to acquire water rights for the land in a national monument and only allow water acquisition in accordance with state law.

NOW THEREFORE, IT IS RESOLVED, that the Mayor and Council of the Town of Tusayan support the passage of US Senate Bill 1416.

PASSED AND ADOPTED BY the Mayor and Council of the Town of Tusayan, Arizona this 24th day of June, 2015.

Greg Bryan, Mayor

ATTEST:

APPROVED AS TO FORM:

Melissa M. Drake, Town Clerk

William Sims, Town Attorney



The Honorable Jeff Flake
May 21, 2015

S.1416: VETO THE PRESIDENTIAL WATER RIGHT

"The president should not be able to unilaterally create a reserved water right that could negatively impact private property."

SUMMARY

This bill would amend the Antiquities Act to prohibit the president from unilaterally creating a federal reserved water right when designating a national monument. Instead, the president may only acquire water rights for the land in accordance with state law. A federal reserved water right for a monument, which could have far-reaching consequences for privately held water rights, would require congressional approval.

WHAT IS A FEDERAL RESERVED WATER RIGHT?

In 1908, the Supreme Court held that when the federal government reserves land for an Indian reservation it also implicitly reserves sufficient water to fulfill the purposes of that reservation.¹ The Court later expanded the breadth of the reserved rights doctrine, finding that the rationale is "equally applicable to other federal establishments such as National Recreation Areas and National Forests."² Then, in 1976, the Supreme Court specifically held that the reserved water right doctrine applies to presidentially created national monuments.³ That finding affirmed the president's authority to unilaterally change the legal character of water within a state simply by designating a monument under the Antiquities Act.

WHY DOES THIS MATTER?

By changing the designation of federal land the president also adjusts the nature of the water rights associated with those parcels. The Supreme Court examined this particular issue in 1976, when it heard a water rights dispute between the National Park Service and private landowners regarding the Devil's Hole National Monument in Nevada. The Court held that the Park Service could enjoin the private landowners from withdrawing groundwater on adjacent lands, because those withdrawals were seen to interfere with the purpose of the national monument; namely, preservation of its unusual features including an underground pool. Recently, some members of the House requested the unilateral designation of a "watershed" national monument along the Colorado River, which could similarly have significant consequences for the water rights in that area.

BOTTOM LINE

This measure would not prohibit the president from designating a national monument; it would simply restrict the type of water rights that are associated with the monument when it is designated without congressional approval.

COSPONSORS

Senators McCain, Hatch, and Lee.

¹ See *Winters v. United States*, 207 U.S. 564 (1908).

² *Arizona v. California*, 373 U.S. 546, 601 (1963)

³ *Cappaert v. United States*, 426 U.S. 128 (1976).

ITEM NO. 7B

TOWN OF TUSAYAN

at the entrance to Grand Canyon National Park



DATE: June 17, 2015

TO: Mayor and Council

FROM: Will Wright, Manager

SUBJECT: Intergovernmental Agreement with the Arizona Department of Revenue related to Uniform Administration of the City's Transaction Privilege Tax

RECOMMENDATION:

Recommend the approval of an intergovernmental agreement between the Town of Tusayan and the Arizona Department of Revenue regarding the uniform administration, licensing, collection, and auditing of transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and rental occupancy taxes imposed by the State or cities or towns.

DISCUSSION:

This intergovernmental agreement (IGA) was negotiated with the Department of Revenue (DOR) by city representatives included a finance director, a tax administrator, and two attorneys, along with assistance from the League of Arizona Cities and Towns. Additionally, several attorneys and tax experts from many cities and towns reviewed and commented on the language during the process, resulting in a document that provides the maximum level of information and assurances for the cities possible.

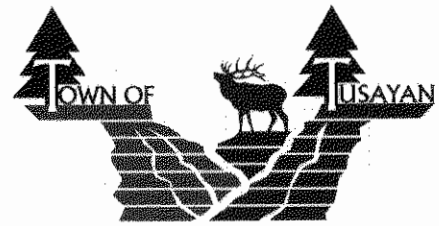
Local Transaction Privilege Tax (TPT) administration is governed by A.R.S. § 42-6001. This statute was recently modified for the purpose of tax simplification with the passage of House Bill 2111 in 2013 and House Bill 2389 in 2014. This statute now requires the Arizona Department of Revenue (DOR) to administer the transaction privilege and use taxes imposed by all cities and towns and to enter into a new inter-governmental agreement (IGA) with each city and town to reflect these changes and clearly define the working relationship between DOR and Arizona cities and towns.

State administration for the current self-collecting cities is predicated on DOR having the capability to provide an electronic means for collecting and distributing detailed taxpayer information including specific gross receipts and deductions by classification and by business location. This IGA intends to cover all aspects of administration after DOR takes over for all cities and towns, but it also includes language allowing self-collecting cities to continue their own tax and license programs until such time that DOR is able to perform the administrative functions documented in statute.

Although tax simplification will have the greatest impact on those cities and towns that are currently self-collecting local taxes, there are also considerable improvements for cities and towns in the State collection program as a result of simplification, particularly in the form of receiving much more detailed taxpayer data.

TOWN OF TUSAYAN

at the entrance to Grand Canyon National Park



The IGA covers all aspects of local tax administration. First and foremost, the IGA addresses confidentiality, including the authorized handling of confidential taxpayer information, expectations for the discreet use of taxpayer data to prevent unauthorized disclosure, and the process we will follow in the event of a disclosure. There is also clarified and simplified guidance on the use of aggregated taxpayer data for public reporting and analysis.

The IGA includes clear direction regarding the sharing of general taxpayer license information, legal interpretations and written guidance, rate and fee tables, and any other pertinent tax information that needs to be shared between the cities and towns and DOR.

Importantly, the IGA identifies exactly which license and tax return data fields must be provided by DOR, and identifies in detail a series of new reports DOR will soon provide to all cities, both of which will serve to greatly expand the data available to the city for analysis purposes.

The first changes related to tax simplification that went into effect were new rules dealing with auditing, which DOR and the cities began following in January 2105. The IGA formalizes both the concepts included in statute and the main concepts used in practice by auditors in the field.

Key factors include a commitment to audit for all jurisdictions whenever any audit is being done; the continued authority for any city or town to perform an audit of a taxpayer that is engaged in business only in their town; the general guidance that DOR will lead all multi-jurisdictional audits, coupled with the option for DOR to delegate actual audit performance to a city or town when circumstances indicate it would be the most efficient means of completing the audit.

The IGA also provides guidance for handling voluntary disclosure by taxpayers, closing agreements in lieu of litigation, and sets up the responsibilities and authorities of both parties in terms of code or statute interpretations and legal support for protests.

Most importantly, the new IGA provides for a formal review process using the new "State and Local Uniformity Group" made up of four city and four DOR tax experts who will work together to iron out any problems or conflicts between the cities and the State.

The terms of this IGA run an annual basis from July 1, 2015 through June 30, 2016 and it renews automatically each year. Either party has the right to reopen and renegotiate the terms according to provisions within the agreement.

FINANCIAL IMPLICATIONS:

This agreement will not result in any budgetary impact to the City/Town.

Now I'd like to address a couple of questions I've received:

1) What is happening?

Your city or town currently has an IGA with the Department of Revenue that controls how they collect your local TPT for you. That agreement is about to expire on June 30, and this package replaces the old IGA with a new one. Every city and town has one (the last one was probably approved around 2004), and every city and town is being asked to approve a new agreement. The IGA is exactly the same for each of the cities and towns. It needs to be approved by your Council and then counter-signed by the Attorney General's office to be a binding contract between the city and the Department of Revenue for tax administration.

2) What happens if the Council does not approve the IGA?

The IGA is required under State statute. Statute also requires DOR to administer TPT for all local jurisdictions, including all of the current program cities and towns, as well as all of the self-collecting cities as soon as DOR can provide the detailed reporting data as required by statute. Regardless of whether your city or town has signed the IGA, DOR is and will continue to provide the statutorily required services and they will do so in the manner described in the IGA. We have already expressed the extent of our influence over DOR's services during the negotiation process. If you Council decides not to approve the agreement, realistically it might only serve to limit your town's ability to enforce its rights and authorities outlined in the IGA.

3) What if our city does not want to accept the terms exactly as written?

Rather than simply issuing another new IGA with the terms best suited to their operations as usual, DOR agreed to negotiate this agreement based on the stipulation that the negotiators spoke for all cities and towns. This is the final negotiated contract that was reviewed and approved by the finance directors, tax staff, and city/town attorneys representing more than 30 of the 91 cities and towns who responded when we asked for input on the IGA. Again, we have already expressed the extent of our influence over the terms of the agreement during the negotiation process. We ask that you do not attempt to renegotiate terms with DOR or insert or delete any language under any circumstances.

4) Who were the people on the negotiating teams for the cities and DOR?

For DOR: Lisa Neuville, Chief Counsel; Tom Johnson, Asst. Director – Audit; Frank Boucek, Asst. Director – Tax Policy & Research;

For Cities & Towns: Ken Jones, Deputy City Manager/CFO – Tempe; Gary Tasky, Tax, License & Collections Supervisor – Peoria; Deborah Robberson, Deputy City Attorney – Glendale; Kelly Gregan, Asst. City Attorney – Mesa.

5) What if we have a vacancy or have not decided who will be responsible?

You can certainly use a particular person as any of the requested points of contact, but you're probably better off if you don't use a specific person's email address and instead use a generic one like taxaudit@cityaz.gov. This way you don't have to keep changing them if your personnel change over time. Please note that the preferred contact in Section 19(a) is the city or town Finance Director or the equivalent if you don't have that title.

6) What do I do with this application and tax return?

Those are both exhibits that are part of the IGA – they are considered Appendix C. Your complete IGA package should have the IGA body, the Appendix A and Appendix B document, and finally, the blank application and blank tax return. You do not need to fill in anything on the application or the tax return! At your discretion you can use any part of the proposed Council memo as a cover sheet to explain what is happening. Follow that with the complete IGA package for their review and approval, and once approved, send two complete signed copies to DOR.

As you can see, there are no bad questions. If you need further explanation or help, please do not hesitate to ask.

Thank you,

Lee Grafstrom

Tax Policy Analyst

League of Arizona Cities and Towns

1820 W. Washington St.

Phoenix, AZ 85007-3208

602-258-5786 Office

480-510-4392 Cell

www.azleague.org

From: Lee Grafstrom

Sent: Friday, May 29, 2015 4:48 PM

Subject: FW: New IGA with DOR for TPT Administration

Importance: High

RESOLUTION NO. 2015-07

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF TUSAYAN, ARIZONA APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE TOWN OF TUSAYAN AND THE STATE OF ARIZONA DEPARTMENT OF REVENUE FOR THE ADMINISTRATION, COLLECTION, AUDIT, AND LICENSING OF TRANSACTION PRIVILEGE TAXES, USE TAXES, SEVERANCE TAXES, JET FUEL EXCISE AND USE TAXES AND RENTAL OCCUPANCY TAXES IMPOSED BY THE STATE, CITIES OR TOWNS

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services if authorized by their legislative or governing bodies; and

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Arizona Department of Revenue, hereinafter referred to as ADOR, shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns; and

WHEREAS, ADOR has provided timely notice to the Town of Tusayan and all other Arizona cities and towns that existing like IGA's shall be terminated on June 30, 2015; and

WHEREAS, representatives of ADOR and representatives of Arizona cities and towns, with support from the League of Arizona Cities and Towns, negotiated terms of a new IGA to take effect July 1, 2015, which can be adopted individually by each Arizona city and town, and is the subject of this Resolution.

NOW THEREFORE BE IT RESOLVED, that the Town Council of the Town of Tusayan, Arizona hereby approves the Intergovernmental Agreement between the Town of Tusayan and the State of Arizona Department of Revenue for the administration, collection, audit and licensing of transaction privilege taxes, use taxes, severance taxes, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns, and authorizes the following:

1. The Mayor, or his duly authorized agent, shall notify ADOR of the Town's desire to enter into an IGA, as required by ARS §42-6001, for the period effective from July 1, 2015 through June 30, 2016, together with the encapsulated provisions for annual renewal.

2. The Mayor may enter into the proposed IGA on behalf of the Town of Tusayan, and execute all such other documents, contracts, amendments and agreements with ADOR as may be necessary to effectuate this agreement.

PASSED AND ADOPTED BY the Town Council of the Town of Tusayan, Arizona this 24th day of June, 2015.

Greg Bryan, Mayor

ATTEST:

Melissa M. Drake, Town Clerk

APPROVED AS TO FORM:

William Sims, Town Attorney

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE STATE OF ARIZONA AND
THE CITY/TOWN OF _____**

THIS AGREEMENT is entered into this _____ day of _____, 2015, by and between the Arizona Department of Revenue, hereinafter referred to as Department, and the City/Town of _____, an Arizona municipal corporation, hereinafter referred to as City/Town. This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and City/Town regarding the administration, collection, audit and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns.

R E C I T A L S

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any city or town in Arizona and that the Department and each city or town shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns.

WHEREAS, City/Town has taken appropriate action by ordinance, resolution or otherwise, pursuant to the laws applicable to the governing body of City/Town, to approve and authorize City/Town to enter into this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing, the Department and City/Town enter into this intergovernmental agreement as follows:

1. Definitions

- 1.1 A.R.S.** means the Arizona Revised Statutes.
- 1.2 Adoption of an Ordinance** means final approval by majority vote of the City/Town council.
- 1.3 Audit** means a review to determine the correct amount of tax owed by a taxpayer and includes, but is not limited to, desk reviews and reviews of claims for refund.
- 1.4 Closing Agreement** means an agreement to compromise or settle a tax liability.

- 1.5 **Confidential Information** means all such information as defined in A.R.S. § 42-2001.
- 1.6 **Confidentiality Standards** means the standards set forth in Appendix A or such other written standards mutually agreed to by the Department and City/Town.
- 1.7 **Federal Tax Information** means federal return or return information the Department receives from the Internal Revenue Service including any information created by the Department derived from that information. Documents obtained from a taxpayer or State records are not considered Federal Tax Information.
- 1.8 **Model City Tax Code** means the document defined in A.R.S. § 42-6051. The official copy of the Model City Tax Code is published at modelcitytaxcode.az.gov.
- 1.9 **Modification** means a change to an assessment required or authorized by statute.
- 1.10 **Municipal Tax(es)** means transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, imposed by City/Town in accordance with the Model City Tax Code. Unless the context provides otherwise, this definition includes tax, license fees, penalties, interest and other similar charges.
- 1.11 **State** means the State of Arizona.
- 1.12 **State and Local Uniformity Group ("SLUG")** means an advisory group comprised of four representatives from municipal taxing jurisdictions and four representatives of the Department as set forth in Section 13 below.
- 1.13 **Taxpayer Information** means information protected from disclosure pursuant to Model City Tax Code § 510.

2. Disclosure of Information by City/Town to Department

- 2.1 **Qualified Recipients of Information:** The Department shall provide a list of the names and job titles of Department employees authorized to request and receive Taxpayer Information from City/Town. The Department shall inform City/Town of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to City/Town at _____. The City/Town will not disclose Taxpayer Information to a Department employee whose name is not included on this list. City/Town may contact the Department with any questions related to qualified recipients by contacting the Cities Unit at CitiesUnit@azdor.gov.
- 2.2 **Use of Information:** Any Taxpayer Information released by City/Town to the Department may only be used by the Department for tax administration and collection purposes, and may not be disclosed to the public in any manner that does not comply with the Model City Tax Code. All Taxpayer Information shall be stored and destroyed in accordance with the Confidentiality Standards.

2.3 Municipal Ordinance:

- (a) City/Town shall provide the Department with a copy of its Municipal Tax code or any City/Town ordinances imposing the taxes to be collected hereunder within ten calendar days of a request for such information from the Department. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov.
 - (b) City/Town shall provide the Department with a copy of any ordinance adopted by City/Town after execution of this Agreement that imposes or modifies the Municipal Taxes to be collected hereunder, including a new or different tax rate as defined by A.R.S. § 42-6053(E), within ten calendar days of Adoption of an Ordinance. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. No such ordinance shall take effect on a date other than the first day of the month that is at least sixty calendar days after city/town provides notice to the Department unless City/Town and the Department agree otherwise. The Department shall add the change to the official copy of the Model City Tax Code within ten business days of receipt of notice from City/Town. City/Town is responsible for confirming the change has been made. Pursuant to A.R.S. § 42-6053(E)(2), changes in tax rates have no effect unless reflected in the official copy of the Model City Tax Code.
 - (c) Within fifteen calendar days following the adoption of an annexation ordinance, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at GIS@azdor.gov. City/Town shall also include with the notice a list of businesses City/Town knows to be located in the annexed area. The Department shall not be obligated to begin collection of Municipal Tax any sooner than the first day of the month that is at least sixty calendar days after the date the Department received notice from City/Town of the annexation.
- 2.4 Development and Impact Fees:** Upon request, City/Town shall provide to the Department any information regarding development and impact fees to assist the Department with the auditing of taxpayers and billing and collection of taxes.
- 2.5 Audits:** Upon request by the Department, City/Town shall allow inspections and copies of any City/Town tax audits.
- 2.6 Other Information:** City/Town shall also provide other relevant information necessary for tax administration and collection purposes as requested by the Department.
- 2.7 Statutory Authority:** The disclosure of confidential City/Town tax information is governed by Model City Tax Code Section 510.

3. Disclosure of Information by Department to City/Town.

- 3.1 Qualified Recipients of Information:** City/Town shall provide a list of the names and job titles of City/Town employees and any independent auditors acting on behalf of City/Town authorized to receive Confidential Information. City/Town shall inform the Department of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. The Department will not disclose any Confidential Information to a City/Town employee or independent auditor whose name is not included on this list. The Department may contact City/Town with any questions related to qualified recipients by contacting _____.
- 3.2 Suspension of Information:** The Department will not withhold Confidential Information from City/Town so long as City/Town complies with A.R.S. § 42-2001 et seq. and the Confidentiality Standards.
- (a) If the Department has information to suggest City/Town, or any of its duly authorized representatives, has violated A.R.S. § 42-2001 or the Confidentiality Standards, the Department will send written notice to City/Town detailing the alleged breach as understood by the Department and requesting a response to the allegation within twenty calendar days of the date of the letter.
 - (b) The Department will review the written response from City/Town and consider the information contained therein and all relevant circumstances surrounding the alleged violation before making a written determination as to whether a suspension of information is warranted and the length of the suspension.
 - (c) If City/Town is dissatisfied with the Department's determination it may within ten calendar days, submit a written request to SLUG requesting the group review the determination.
 - (d) If the Department has information to suggest City/Town has violated the Confidentiality Standards, the Department may inspect City/Town's records, facilities, and equipment to confirm whether there has been a violation.
- 3.3 Information to be Provided:** Within the restrictions outlined in this Section, the Department shall provide all of the information detailed in Appendix B, which may be modified by the mutual agreement of the parties. The Department shall not provide Federal Tax Information to City/Town. In addition to the information detailed in Appendix B, City/Town may obtain upon request:
- (a) Inspections and/or copies of Department tax audits, including all information related to all cities and towns included in the tax audit; and

- (b) Other relevant information necessary for tax administration and collection purposes, including all information necessary to verify City/Town received all revenues collected by the Department on behalf of City/Town.

3.4 Storage and Destruction of Confidential Information: All Confidential Information provided by the Department to City/Town shall be stored, protected, and destroyed in accordance with the Confidentiality Standards.

3.5 Statutory Authority: The Department may disclose Confidential Information to City/Town pursuant to A.R.S. § 42-2003(H) if the information relates to a taxpayer who is or may be taxable by a county, city or town. Any Confidential Information released to City/Town:

- (a) May only be used for internal tax administration purposes as defined in A.R.S. § 42-2001(4); and
- (b) May not be disclosed to the public in any manner that does not comply with the Confidentiality Standards.

A.R.S. § 42-2003(H)(2) provides that any release of Confidential Information that violates the Confidentiality Standards will result in the immediate suspension of any rights of City/Town to receive taxpayer information pursuant to A.R.S. § 42-2003(H).

3.6 Specificity of Data: A.R.S. § 42-6001 provides that taxpayers shall file and pay Municipal Taxes to the Department if the Department has developed the electronic and nonelectronic tools necessary to capture data with sufficient specificity to meet the needs of all taxing jurisdictions, including specific data regarding each tax classification and any corresponding deductions at each business location of the taxpayer. Pursuant to A.R.S. § 42-5015, the electronic system utilized by the Department must be able to capture data with sufficient specificity to meet the needs of the taxing jurisdiction. The Department and City/Town agree that JT2 and TPT2 (as summarized in Appendix C) are required to meet the specificity needs of City/Town.

(a) Non-Program City/Town: If City/Town performed its own Municipal Tax administration, collection, and licensing prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the following shall take place:

- (1) The term of the agreement entered into by the Department and City/Town pertaining to City/Town performing municipal licensing services on behalf of the Department shall be extended for one (1) year; and
- (2) All provisions in this Agreement pertaining to the administration, collection, and licensing of Municipal Taxes shall not go into effect until such time as the Department is able to meet the requirements of A.R.S. § 42-6001 and

A.R.S. § 42-5015, however all language in this Agreement related to audit functions shall remain in full force and effect.

- (b) **Program Cities/Towns:** If the Department performed Municipal Tax administration, collection and licensing for City/Town prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the Department will continue to perform those functions. The continued provision of such service, however, shall not be deemed waiver of any legal rights or remedies afforded to City/Town including, but not limited to, a failure to meet the requirements of A.R.S. § 42-6001 and A.R.S. § 42-5015.

4. Audit.

The Department shall administer the audit functions for City/Town in accordance with the following provisions.

- 4.1 **Training:** All auditors and supervisors shall be trained in accordance with the policies of the Department. Auditors who have not completed the training may only work in connection with a trained auditor and cannot be the only auditor assigned to the audit. The Department shall:

- (a) Provide audit training at least three times per year, or more frequently if there is a demonstrated need, and be responsible for its costs of the training and any associated materials;
- (b) Provide additional training when practical;
- (c) Notify City/Town of any training sessions at least thirty calendar days before the date of the training session;
- (d) Provide copies of State tax statutes, audit reference materials and audit procedures and manuals;
- (e) Permit City/Town auditors and supervisors to attend any scheduled training as space permits at designated training location: and
- (f) Provide additional training as needed to inform auditors and supervisors regarding changes in State law or Department policy.

- 4.2 **Conflict of Interest:** An auditor or supervisor trained and authorized to conduct an audit may not conduct any of the following prohibited acts:

- (a) Represent a taxpayer in any tax matter against the Department or City/Town while employed or in an independent contractor relationship with the Department or City/Town.
- (b) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.

- (c) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one year after he/she ends employment or the independent contractor relationship with the Department or City/Town.
- (d) Use information he/she acquires in the course of the official duties as an auditor or supervisor in a manner inconsistent with his/her official duties without prior written approval from the Department.
- (e) For a period of one year after he/she ends employment or an independent contractor relationship with the Department or City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes formal barriers to prevent any sharing of information between the trained auditor or supervisor and the remainder of the firm.

The Department may revoke an individual's authority to audit and prohibit the use of any auditor or supervisor who violates this provision.

4.3 Audits and Refunds:

- (a) City/Town may conduct an audit of a taxpayer engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department to ensure the taxpayer is not already scheduled for an audit. The Department will provide City/Town with a written response within fifteen calendar days of the notice from City/Town.
- (b) Except as permitted below, the Department shall conduct all audits of taxpayers having locations in two or more cities or towns. A City/Town auditor may participate in any audit City/Town requested the Department to perform.
- (c) City/Town shall notify the Department if it wants an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business activity is in the following business classifications taxable by City/Town, but not a taxable activity under State law:
 - 1. Residential rentals;
 - 2. Commercial rentals;
 - 3. Speculative Builders; or
 - 4. Advertising.

The Department will authorize such audits, to be overseen by the Department, unless there is already an audit of the taxpayer scheduled, or the Department determines the audit selection is discriminatory, an abuse of process or poses other similar defects. The Department will notify City/Town of its determination within thirty calendar days. No initial audit contact may occur

between City/Town and a taxpayer until the Department approves the audit notice.

- (d) City/Town may request the Department conduct an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business is subject to both city and state tax. The request must be made using the Department's audit request form. Copies of the form can be obtained from the Department's TPT Hub Unit at HubUnit@azdor.gov. The Department shall notify City/Town of the decision regarding the request within thirty calendar days of receipt of the request.
- (e) The Department may deny a request for an audit for the following reasons:
 - 1. An audit is already scheduled or planned for the taxpayer within six months of the request;
 - 2. The requested audit would interfere with strategic tax administration planning;
 - 3. The audit selection is discriminatory, an abuse of process or poses other similar defects;
 - 4. The request lacks sufficient information for the Department to determine whether it is appropriate;
 - 5. The Taxpayer was audited within the previous two years;
 - 6. The Department lacks sufficient resources to conduct the audit; or
 - 7. The scope or subject of the audit does not justify the use of Department resources.
- (f) If the Department denies a request to conduct an audit because it either lacks resources to conduct the audit itself or the scope or subject of the audit does not justify the use of Department resources then City/Town shall notify the Department if it wants to conduct the audit under the supervision of the Department. No initial audit contact may occur between City/Town and a taxpayer until the Department appoints someone to supervise the audit.
- (g) Any decision by the Department denying City/Town's request to conduct any audit may be referred to SLUG in accordance with Section 13 of this Agreement.
- (h) All audits conducted by City/Town shall be in accordance with standard audit procedures defined in the Department audit manual. All auditors shall be trained in accordance with Section 4.1 above.
- (i) The Department may appoint a manager to supervise any audit conducted by City/Town.

- (j) All audits shall include all taxing jurisdictions in the State regardless of which jurisdiction's auditors participate in the audit. All desk reviews must include all taxing jurisdictions for which there is information available.
- (k) The Department shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.
- (l) The Department shall issue Modifications to audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

4.4 Claims for Refund:

- (a) When a taxpayer files a request for refund, including refunds requested by filing amended returns, the Department shall process the request and review it for mathematical errors or for the failure of the taxpayer to properly compute the tax based on the taxable income reported on the return or refund request.
- (b) The Department will notify City/Town of all refund requests that are processed involving City/Town's Municipal Taxes within thirty calendar days of processing the refund. City/Town may request an audit of the taxpayer as set forth in Section 4.3 above.
- (c) The Department may assign an auditor to review requests for refunds. The Department will notify City/Town, within thirty calendar days of initiating a review, of all refunds under review by an auditor pertaining to a taxpayer who engages in business within City/Town's taxing jurisdiction and may request that City/Town assign an auditor to assist with such reviews.
- (d) City/Town is responsible for payment of all amounts to be refunded to taxpayers for Municipal Tax incorrectly paid to City/Town. The Department may offset a remittance to City/Town under this Agreement to cover the amounts of allowed refunds. If there are insufficient funds available to pay the refund, City/Town must pay the Department within sixty days of written demand from the Department.
- (e) The Department shall issue refund approvals/denials on behalf of all taxing jurisdictions in a single notice to the taxpayer. City/Town may request copies of such determinations.

4.5 Protests: Taxpayer protests of audit assessments and desk review assessments and refund denials shall be directed to the Department. Appeals of audit assessments, desk review assessments and refund denials shall be administered pursuant to Title 42, Chapter 1, Article 6, Arizona Revised Statutes. Upon request, the Department shall notify City/Town of any appeals within 30 days of receipt of the protest.

- 4.6 Notice of Resolution:** The Department shall notify City/Town when a protest is resolved, including information concerning the resolution of the protest, within 30 days after the resolution of a protest.
- 4.7 Status Reports:** The Department shall keep SLUG apprised of the status of each protested matter involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting the Department's Cities Unit.

5. Voluntary Disclosure Agreements

The Department may enter into a voluntary disclosure agreement with a taxpayer. A voluntary disclosure agreement may limit the years subject to audit and waive penalties. City/Town may request to be kept informed of voluntary disclosure agreements involving City/Town Municipal Tax. If City/Town makes that request, the Department will notify City/Town of the Department's intent to enter into an agreement and the Department will provide the taxpayer's identity within thirty calendar days of disclosure. City/Town may request an audit of a taxpayer subject to a voluntary disclosure agreement pursuant to Section 4.3 above.

6. License Compliance

6.1 License Issuance and Renewal: The Department shall issue new Municipal Tax licenses and renew such licenses for City/Town Municipal Tax. The Department of Revenue shall provide City/Town with information about all persons obtaining and renewing tax licenses as set forth in Appendix B.

6.2 License Checks: The Department and City/Town shall coordinate efforts to conduct tax license compliance checks through canvassing and other compliance methods.

6.3 Confidentiality: Any tax license information City/Town obtains from the Department is considered Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. Any tax license information City/Town obtains through its own efforts may be disclosed as allowed by applicable City/Town laws.

6.4 Changes to License Fees: Within fifteen calendar days following the Adoption of an Ordinance (or official acknowledgment of approval of an ordinance by voters in an election of a charter city) issuing or modifying a tax license fee, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at CitiesUnit@azdor.gov. The Department shall not be obligated to begin collection of the new or modified fee any sooner than sixty calendar days after the date the Department received the ordinance from City/Town. Notice of an ordinance concerning a renewal tax license fee must be received by the Department by July 31 in order to be collected the following calendar year.

7. Closing Agreements

- 7.1 **Approval** - The Department shall notify City/Town before entering into a Closing Agreement related to the tax levied and imposed by City/Town. The Department shall seek approval from either City/Town or SLUG before entering into such Closing Agreement. If the Closing Agreement concerns only City/Town, then the Department will attempt to obtain approval from City/Town first, and will only seek approval from SLUG if City/Town is unresponsive or the Department and City/Town cannot reach an agreement. Approval and notice is not required for Modifications of assessments.
- 7.2 **Litigation** - During the course of litigation, the Department shall seek a range of settlement authority from City/Town or SLUG, unless the circumstances prevent such action. The Department may also request a telephonic meeting of SLUG if time and circumstances require immediate action.

8. Responsibility for Representation in Litigation.

- 8.1 **Administrative Proceedings:** The Department shall be responsible for coordinating the litigation and defending the assessment or refund denial in any administrative appeals before the Office of Administrative Hearings or the Director of the Department regardless of who conducted the audit. The Department shall be reasonably diligent in defending the interests of City/Town and City/Town shall assist in such representation as may be requested by the Department.
- 8.2 **Further Appeals:** The Arizona Attorney General is responsible for defending the assessment or refund denial at the Board of Tax Appeals, the Arizona Tax Court and all higher courts. City/Town shall assist the Attorney General in such representation and litigation as requested by the Attorney General's Office.
- 8.3 **Mutual Cooperation:** The Department and City/Town agree they shall cooperate in the appeal and litigation processes and shall ensure their auditors, supervisors, and other necessary employees are available to assist the Department and the Attorney General for informal interviews, providing documents and computer records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation as needed.
- 8.4 **Administrative Decisions:** The Department shall provide a copy of any and all administrative hearing level decisions, including Director's decisions issued by the Department to all jurisdictions on a distribution list. City/Town may request to be on the distribution list by contacting the Department's Cities Unit. Administrative decisions are Confidential Information and must be stored and destroyed in accordance with the Confidentiality Standards.

9. Collection of Municipal Taxes

- 9.1 Tax Returns:** Taxpayers who are subject to City/Town Municipal Taxes shall pay such taxes to the Department. Tax payments shall be accompanied by a return prepared by taxpayer on a form prescribed by the Department.
- 9.2 Collection:** The Department shall collect any Municipal Tax imposed by City/Town recorded on the Department's tax accounting system. Amounts the Department collects for delinquent City/Town Municipal Tax accounts after the termination of this Agreement shall be forwarded to City/Town.
- 9.3 Remittance:** All amounts collected by the Department for Municipal Taxes under this Agreement shall be remitted to City/Town weekly on the basis of actual collections. The Department shall initiate the electronic payment by noon on the Monday after the end of the week in which the collections were made. Remittance shall be made in the form of immediately available funds transferred electronically to the bank account designated by City/Town.
- 9.4 Abatement:** The Department, with the approval of the Attorney General, may abate tax under certain circumstances. During the ordinary course of business, the Department may determine for various reasons that certain accounts shall be closed or cancelled. The Department shall seek input from City/Town or SLUG before abating tax or closing accounts. The Department may request a telephonic meeting of SLUG if time and circumstances require immediate action.
- 9.5 Funds Owed to City/Town:** At all times and under all circumstances payments remitted by a taxpayer to the Department for City/Town Municipal Taxes will be considered property of City/Town. The Department may not retain or fail to remit such funds to City/Town for any reason not specifically set forth in this Agreement including, but not limited to, during the course of a dispute between City/Town and the Department.

10. Financing Collection of Taxes.

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department.

11. Inter-Jurisdictional Transfers.

All inter-jurisdictional transfers of Municipal Tax monies by the Department shall be handled in the following manner:

- 11.1 Requests:** Requests for inter-jurisdictional transfers shall be made to the Department. The Department will review the request and will not automatically accept the request.

11.2 Notice: The Department shall notify City/Town and any other city or town implicated in the requested transfer a minimum of thirty calendar days prior to any inter-jurisdictional transfer of money.

11.3 Dispute Resolution: Any city or town subject to an inter-jurisdictional transfer shall resolve any dispute over the allocation of the tax in accordance with A.R.S. § 42-6003 and the Department shall transfer the funds subject to an inter-jurisdictional transfer in accordance with the agreed upon allocation in a timely manner.

12. Educational Outreach.

City/Town may conduct, at its own expense, educational outreach to taxpayers who are conducting business activities within City/Town's taxing jurisdiction concerning the Model City Tax Code and the collection and administration of Municipal Taxes. Educational outreach shall be consistent with applicable law and Department written guidance. Upon request, City/Town shall provide information to the Department concerning such educational outreach efforts.

13. SLUG.

The Department shall create an advisory group to help resolve issues

13.1 Members: The members shall consist of four seats representing municipal taxing jurisdictions and four seats representing the Department. Member seats may be split so some people fill the position for only certain issues, such as audit selection or collection abatement. There shall also be a list of alternate members, who may be asked by a regular member who is unable to attend a meeting to take that member's place at a SLUG meeting.

13.2 Selection: The Director of the Department shall appoint people to serve as members of SLUG. Municipal taxing jurisdictions shall nominate members from municipal taxing jurisdictions. All members shall serve for a period of one year unless they resign at an earlier date. Members may be appointed to serve consecutive terms. Members appointed to fill vacancies shall serve for the time remaining on the term.

13.3 Meetings: SLUG shall meet on a regular basis and at least monthly unless the members agree to cancel the meetings due to a lack of agenda items. It can schedule additional meetings as necessary to timely discuss issues presented. Alternate members may attend meetings, but cannot participate in any discussion or voting, unless filling the seat of a regular member.

13.4 Issues: City/Town may refer issues to SLUG involving the following:

- (a) Decisions by the Department to not audit a taxpayer;
- (b) Amendments to Department audit procedures or manuals;
- (c) Closing Agreements or a range of settlement authority;
- (d) Abatement or account closure in collections;
- (e) Suspension of disclosure of information from the Department; and
- (f) Other issues as authorized by the Director of the Department or agreed upon by the parties.

13.5 Recommendations: SLUG shall make recommendations to the Director of the Department. If the recommendation is approved by at least five members of SLUG, the Director will accept the recommendation of SLUG. If SLUG cannot reach a recommendation agreeable to at least five members of the group, the Director may act as he deems to be in the best interests of all parties.

13.6 Voting: Voting shall be by secret ballot.

13.7 Procedures: SLUG may develop procedures concerning the operation of the group as long as they are not inconsistent with this Agreement.

14. Funding of Additional Auditors by City/Town.

14.1 Funding: At the sole discretion of City/Town, City/Town may contribute funding to the Department to pay for additional auditors to assist the Department in the performance of audits of Municipal Tax owed to City/Town. Such additional auditors funded by City/Town shall at all times be deemed to be employees of the Department and under no circumstances shall be deemed to be employees or agents of City/Town. It is the parties' intention that City/Town funding be used to increase the capabilities of the Department to perform Municipal Tax audits and not to subsidize or replace State funding required for audit and collection of taxes.

14.2 Use of Funds: City/Town funding for additional auditors under this Section shall be used to fund the auditors' salaries and employee related expenses and shall not be used to pay for Department office space, utilities, equipment, supplies, or similar kinds of overhead.

14.3 Pool of Funds: The Department may pool any City/Town funding with any other similar funding provided by other municipal taxing jurisdictions to pay for additional auditors. The Department shall separately account for such funds in its annual budget.

- 14.4 Accounting:** The Department shall provide an annual accounting to City/Town, by August 31 each year describing how City/Town funding was used during the prior fiscal year.

15. Satellite Offices for Department Auditors.

- 15.1 Funding:** City/Town, at its own expense and at its sole discretion, may provide one or more satellite offices and associated amenities for use by Department employees to provide audit and/or customer service to taxpayers. Use of such facilities by Department employees shall be at the sole discretion of the Department. Nothing in this section shall require the Department to make use of such facilities provided by City/Town.
- 15.2 Requirements:** Any Department employee using a City/Town satellite office must meet reasonable requirements of City/Town related to the use of the facility. City/Town shall be responsible for notifying the Department of any concerns, and the Department shall be responsible for taking appropriate actions to resolve those concerns.
- 15.3 Termination:** Once a satellite office is established, City/Town shall provide at least 180 calendar days written notice to the Department prior to the termination or relocation of a satellite office. The Department may discontinue the use of a satellite office at any time upon notice to City/Town and shall promptly remove all Department property.
- 15.4 License:** All requirements of City/Town and the Department related to the satellite office shall be outlined in a mutually acceptable form of license and subject to separate approval.

16. Non-availability of Funds.

Every payment obligation of the Department and the City/Town pursuant to this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation, except for the rendering of funds to City/Town paid by a taxpayer for Municipal Taxes or tax license fees of City/Town. If funds are not appropriated, allocated and available or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section. The termination of this Agreement shall not entitle the Department to retain any Municipal Tax collected on behalf of City/Town pursuant to this Agreement.

17. Waiver.

Nothing in this Agreement should be interpreted as City/Town relinquishing its legal rights under the Arizona Constitution or other applicable law, nor that City/Town is conceding the administration and collection of its Municipal Tax is not of a local interest or should not be under local control.

18. Cancellation

The requirements of A.R.S. § 38-511 apply to this Agreement. The Department or City/Town may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Department or City/Town is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of the other party with respect to the subject matter of this Agreement.

19. Notice.

- (a) When any Notice to City/Town is required under the terms of this Agreement, such Notice shall be mailed to City/Town at the following address, directed to the attention of:

- (b) When any Notice to the Department is required under the terms of this Agreement, such Notice shall be mailed to:

Arizona Department of Revenue
Attn: Director, Division Code 20
1600 W. Monroe
Phoenix, AZ 85007

Notice to the Department's Hub Unit or City Unit may be mailed to:

Arizona Department of Revenue
Division Code 16
1600 W. Monroe
Phoenix, AZ 85007

20. Non-discrimination.

The Department and City/Town shall comply with Executive Order 2009-9, which mandates all persons, regardless of race, color, religion, sex, age, or national origin, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Department and City/Town shall take affirmative action to ensure applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

21. Compliance with Immigration Laws and A.R.S. § 41-4401.

- 21.1** The Department and City/Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A) which reads in part: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program."
- 21.2** A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement.
- 21.3** The Department and City/Town retain the legal right to inspect the papers of any employee who works on the Agreement to ensure the Department and City/Town is complying with the applicable Federal immigration laws and regulations and State statutes as set forth above.

22. Audit of Records.

City/Town and the Department shall retain all data, books, and other records ("Records") relating to this Agreement for at least six (6) years (a) after termination of this Agreement, and (b) following each annual renewal thereof. All Records shall be subject to inspection by audit by the State at reasonable times. Upon request, the Department and City/Town shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and -215.

23. Amendments.

Any amendments to or modifications of this Agreement must be executed in writing in accordance with the provisions of this Agreement.

24. Mutual Cooperation.

In the event of a disagreement between the parties with regard to the terms, provisions and requirements of this Agreement or in the event of the occurrence of any circumstances bearing

upon or affecting this Agreement, parties hereby agree to mutually cooperate in order to resolve the said disagreement or deal with the said circumstance.

25. Arbitration.

To the extent required by A.R.S. § 12-1518(B) and as provided for in A.R.S. § 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration. The parties agree that any lawsuit filed by City/Town relating to the issues outlined in Section 17 of this Agreement is not considered to be a dispute arising out of this Agreement.

26. Implementation.

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the Department or his representative and the Mayor his/her designee, or another party with designated authority pursuant to applicable law or City/Town charter on behalf of City/Town.

27. Limitations.

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties in performing functions beyond those granted to them by law, or as requiring the parties to expend any sum in excess of their appropriations.

28. Duration.

- 28.1 The term of this Agreement shall be from July 1, 2015 through June 30, 2016. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, no later than sixty calendar days prior to the expiration of the term then in effect.
- 28.2 If State legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits either party would receive under this Agreement, either party may then terminate this Agreement by giving at least thirty calendar days' notice to the other party. The termination will become effective immediately upon the expiration of the notice period unless otherwise agreed to by the parties.
- 28.3 Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this contract upon such terms and at such time as is mutually agreeable to them.
- 28.4 Any notice of termination shall be mailed and served on the other party in accordance with Section 19 of this Agreement.

- 28.5 During the term of this Agreement, the terms and conditions of this Agreement will undergo an annual review to be completed no later than March 1st of each year. The review will be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

29. Choice of Law.

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement, and any disputes arising from this Agreement.

30. Entire Agreement.

This document, including other documents referred herein, and any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the parties and shall supersede all other understandings, oral or written.

31. Signature Authority.

- 31.1 By signing below, the signer certifies he or she has the authority to enter into this Agreement on behalf of his or her respective party, and he or she has read the foregoing and agrees to accept the provisions herein on said party's behalf.

31.2 This Intergovernmental Agreement may be executed in counterpart.

Signature _____ Date _____		Signature _____ Date _____	
Typed Name and Title _____		Typed Name and Title _____	
Entity Name _____		Entity Name _____	
Address _____		Address _____	
City _____	State _____ Zip _____	City _____	State _____ Zip _____
RESERVED FOR THE ATTORNEY GENERAL:		RESERVED FOR CITY/TOWN ATTORNEY:	
<p>This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;">MARK BRNOVICH The Attorney General</p> <p>_____ Signature Assistant Attorney General</p> <p>Date: _____</p>		<p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY: _____ CITY/TOWN ATTORNEY</p> <p>Date: _____</p>	

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

1. Confidential Information

- 1.1 Confidential Information is defined in A.R.S. § 42-2001. Confidential Information may not be disclosed except as provided by statute. A.R.S. § 42-2001(B).
- 1.2 License information obtained from the Department of Revenue is Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. License information obtained from other sources is not Confidential Information.
- 1.3 Information about a taxpayer's identity obtained from the Department of Revenue is Confidential information and may only be disclosed as authorized by A.R.S. § 42-2003. Identity information obtained from other sources is not Confidential Information.
- 1.4 Confidential Information includes information about a single taxpayer and also aggregated information about a group of identified or identifiable taxpayers. Aggregated information from fewer than three taxpayers in a grouping on a statewide basis or fewer than ten taxpayers in a grouping for an area that is less than state level (city or town) may be Confidential Information. Such information may not be released unless the City/Town Administrator reviews the relevant information concerning the aggregate data and makes a determination in writing that the aggregate data does not reveal information about any specific taxpayer. Such determination should take into consideration the following:
 - a. The proportionality of the tax information applicable to individual members of the group of taxpayers; no individual taxpayer's information should be discernable due to its relative size/taxable sales, compared to other members of the group;
 - b. The total aggregated tax information; the aggregate information cannot allow viewers to draw conclusions about individual taxpayers (e.g., there are 6 car dealers in the city and the total aggregate sales were \$900,000 and none of them reported individual sales above the \$20,000 mark, which would have qualified for the lower tax rate on large purchases)
 - c. Any other factor that could cause the aggregate data to be used to determine information specific to a single taxpayer.

2. Protecting Information

- 2.1 City/Town must identify all places, both physical and logical, where Confidential Information is received, processed and stored and create a plan to adequately secure those areas.

- 2.2 Confidential Information must be protected during transmission, storage, use, and destruction. City/Town must have policies and procedures to document how it protects its information systems, including Confidential Information contained therein. An example of appropriate protection standards is set forth in National Institute of Standards and Technology Special Publication 800-53. The publication may be found at <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
- 2.3 Employees are prohibited from inspecting information unless they have a business reason for the information. Browsing information concerning friends, neighbors, family members, or people in the news is strictly prohibited.
- 2.4 All removable media, including paper and CDs, containing Confidential Information must be secured when not in use and after normal business hours by placing all materials in a locked drawer or cabinet. During use, Confidential Information must be protected so that it is not visible to members of the public or anyone without a business need for the information.
- 2.5 All individuals accessing or storing Confidential Information from an alternative work site must enter into a signed agreement that specifies how the Confidential Information will be protected while at that site. Only trusted employees shall be permitted to access Confidential Information from alternative sites. Confidential Information may not be accessed while in public places such as restaurants, lounges, or pools.
- 2.6 Confidential Information may not be sent outside the local area network by unencrypted email. City/Town is responsible for ensuring in-flight email communications containing Confidential Information are sent through a secure process. This may include encryption of the email message, a secure mailbox controlled by City/Town, an encrypted point-to-point tunnel between the correspondents or use of Transport Layer Security (TLS) between correspondents. The acceptable encryption algorithms are set forth in the standards attached as Exhibit 1, which may be updated to accommodate changed technology.
- 2.7 Confidential Information may not be discussed in elevators, restrooms, the cafeteria, or other public areas. Terminals should be placed in such a manner that prohibits public viewing of Confidential Information.
- 2.8 When transporting confidential materials the materials should be covered so that others cannot see the Confidential Information. When sending Confidential Information by fax a cover sheet should always be used.
- 2.9 Any person with unsupervised access to Confidential Information shall receive training on the confidentiality laws and requirements to protect such information before being given access to such Information and annually thereafter. They must sign certificates after the training acknowledging that they understand their responsibilities. City/Town must keep records to document this training and certification.

3. Disclosure of Information

- 3.1 Confidential Information may only be disclosed as permitted by A.R.S. § 42-2003.
- 3.2 Confidential Information is confidential by statute and, therefore, does not have to be disclosed in response to a public records request. A state agency may deny inspection of public records if the records are confidential by statute. *Berry v. State*, 145 Ariz. 12, 13 699 P.2d 387, 388 (App. 1985).
- 3.3 A taxpayer may designate a person to whom Confidential Information may be disclosed by completing a Department of Revenue Form 285, or such other form that contains the information included in the Form 285. City/Town may contact the Department of Revenue's Disclosure Officer if there are any questions concerning this requirement.

Disposal of Information

- 4.1 All removable media containing Confidential Information must be returned to the Department of Revenue or sanitized before disposal or release from the control of City/Town.
- 4.2 Confidential Information may be destroyed by shredding or burning the materials when no longer needed. Confidential Information may not be disposed of by placing the materials in the garbage or recycle bins. Destruction of Confidential Information may be performed by a third party vendor. City/Town must take appropriate actions to protect the Confidential Information in transit and storage before it is destroyed, such as periodic inspections of the vendor.
- 4.3 Computer system components and devices such as copiers and scanners that have been used to store or process Confidential Information may not be repurposed for non-tax administration uses unless the memory or hard drive of the device is sanitized to ensure under no circumstances Confidential Information can be restored or recovered.

EXHIBIT 1

ENCRYPTION STANDARDS

- 1.0 Acceptable Encryption Algorithms** – The following encryption algorithms are considered acceptable for use in information systems to protect the transmission or storage of Confidential Information and system access.

1.1.1 Acceptable Security Strength – the security strength of an encryption algorithm is a projection of the time frame during which the algorithm and the key length can be expected to provide adequate security. The security strength of encryption algorithms is measured in bits, a measure of the difficulty of discovering the key.

- a. The current minimum key strength for Confidential Information is 112 bits.

1.1.2 Symmetric Encryption Algorithms – The following symmetric encryption algorithms are considered acceptable for use.

Algorithm	Reference	Acceptable Key Strengths
Advanced Encryption Standard (AES)	FIPS 197	128, 192 or 256 bits
Triple Data Encryption Algorithm (TDEA) (three key 3DES)	SP 800-67	168 bits

1.1.3 Key Agreement Schemes – The following key agreement schemes are considered acceptable for use

Key Agreement Scheme	Reference	Acceptable Key Strengths	
		Finite Fields	Elliptical Curves
Diffie-Hellman (DH) or MOV	SP 800-56A SP 800-135	P = 2048 Q = 224 or 256	N: 224-255 and H=14 N: 256-383 and H=16 N: 384-511 and H=24 N: 512+ and H=32
RSA – based	SP 800-131A	N = 2048	

1.1.4 Hash Functions – The following hash functions are considered acceptable for use

Digital Signature Generation	Digital Signature Verification	Non-digital signature generation applications
SHA-224	SHA-224	SHA-1
SHA-256	SHA-256	SHA-224
SHA-384	SHA-384	SHA-256

SHA-512	SHA-512	SHA-384 SHA-512
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1.1.5 Digital Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Digital Signature Algorithm	FIPS Publication	Digital Signature Generation Settings	Digital Signature Verification Settings	Relative Strengths
Digital Signature Standard (DSA)	FIPS 186-4	p >= 2048 q = 224	p >= 2048 q = 224	>= 112 bits
RSA Digital Signature	FIPS 186-4	2048	2048	>= 112 bits
ECDSA	FIPS 186-4	224	224	>= 112 bits

1.1.6 Message Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Hash Algorithms	Hash Generation	Hash Verification
HMAC	>= 112 bits	>= 112 bits
CMAC	AES, 3DES	AES, 3DES
CCM and GCM/GMAC	AES	AES

APPENDIX B

From the effective date of this Agreement until the new functionalities set forth below are implemented, the Department of Revenue will provide the following reports:

City Payment Journal Detail;
City Payment Journal Summary;
New License Report

Within 30 days after the first month's implementation of the JT2, the Department of Revenue will provide a new License Report and License Update Report containing at least the following fields:

NEW LICENSE REPORT AND LICENSE UPDATE REPORT

Fields displayed:

- Region Code
- Run Date
- Report Start Date
- Report End Date
- Update Date
- ID Type
- ID
- Account ID
- Entity Name
- Ownership Type
- License ID
- OTO/Applied For indicator
- Bankruptcy Indicator
- Filing Frequency
- Issue Date
- Account Start Date
- Business Start Date
- Arizona Start Date
- Doc Loc Nbr
- Accounting Method
- Close Date
- Close Code
- Business Description
- NAICS1
- NAICS2
- NAICS3
- NAICS4
- Mailing Street1
- Mailing Street2
- Mailing Street3
- Mailing City

- Mailing State
- Mailing ZIP
- Mailing Country
- Mailing Phone Number
- Mailing Address Add date
- Mailing Address End Date
- Audit Street1
- Audit Street 2
- Audit Street 3
- Audit City
- Audit State
- Audit Zip
- Audit Country
- Audit Phone Number
- Audit Address Add Date
- Audit Address End Date
- Location Code
- Business Codes
- Location Name (DBA)
- Number of Units
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- Location Phone Number
- Location Start Date
- Location End Date
- Primary Location Street 1
- Primary Location Street 2
- Primary Location Street 3
- Primary Location City
- Primary Location State
- Primary Location Zip Code
- Primary Location Country
- Primary Location Phone Number
- Primary Location Start Date
- Primary Location End Date
- Owner Name
- Owner Title
- Owner Name 2
- Owner Title 2
- Owner Name 3
- Owner Title 3

Within 30 days of the implementation of the TPT2, the Department of Revenue will provide the following reports with at least the fields indicated below:

CITY PAYMENT JOURNAL

- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype
- Rev Type

CITY PAYMENT JOURNAL SUMMARY

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Business Code
- Number of Accounts

- Collections

Within 30 days after the first month's implementation of the TPT2, the following reports with at least the fields indicated below:

NO MONEY REPORT

- Region Code
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype

DEDUCTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- License ID
- Entity Name

- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Deduction Code
- Deduction Amount
- Tran Type
- Tran Subtype
- Rev Type

Within 30 days after taxes (subject to fund distributions) are collected, the Department of Revenue will provide the following report with at least the fields indicated below:

FUND DISTRIBUTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment Received Date
- Return Received Date
- Payment Processed Date
- Return Processed Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Fund Allocation Code
- Amount Distributed

FUND DISTRIBUTION SUMMARY REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Fund Allocation Code
- Amount Distributed

ARIZONA JOINT TAX APPLICATION (JT-2)



License & Registration
ARIZONA DEPARTMENT OF REVENUE
PO BOX 29032
Phoenix, AZ 85038-9032

IMPORTANT! Incomplete applications WILL NOT BE PROCESSED.

- Please read form instructions while completing the application. Additional information and forms available at www.azdor.gov
- Required information is designated with an asterisk (*).
- Return completed application AND applicable license fee(s) to address shown at left.
- For licensing questions regarding transaction privilege tax, call Taxpayer Information & Assistance: (602) 542-4576

**You can file and pay for
this application online
at www.AZTaxes.gov.**
It is fast and secure.

SECTION A: Business Information

1* Federal Employer Identification No. or Social Security No. <i>if sole proprietor without employees</i>		2* License Type – Check all that apply: <input type="checkbox"/> Transaction Privilege Tax (TPT) <input type="checkbox"/> Use Tax <input type="checkbox"/> Withholding/Unemployment Tax <i>(if hiring employees)</i> <input type="checkbox"/> TPT for Cities ONLY	
3* Type of Organization/Ownership – Tax exempt organizations must attach a copy of the Internal Revenue Service's letter of determination. <input type="checkbox"/> Individual/Sole Proprietorship <input type="checkbox"/> Subchapter S Corporation <input type="checkbox"/> Government <input type="checkbox"/> Joint Venture <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Estate <input type="checkbox"/> Receivership State of Inc. _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Trust Date of Inc. _____ <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Limited Liability Partnership			
4* Legal Business Name			
5* Mailing Address – number and street		City	State ZIP Code
County/Region		Country	
6* Business Phone No. (with area code)	7 Email Address	8 Fax Number (with area code)	
9* Description of Business: Describe merchandise sold or taxable activity.			
10* NAICS Codes: Available at www.azdor.gov			
11* Did you acquire or change the legal form of an existing business? <input type="checkbox"/> No <input type="checkbox"/> Yes → You must complete Section F.		12* Are you a construction contractor? <input type="checkbox"/> No <input type="checkbox"/> Yes (see bonding requirements)	
BONDING REQUIREMENTS: Prior to the issuance of a Transaction Privilege Tax license, new or out-of-state contractors are required to post a Taxpayer Bond for Contractors unless the contractor qualifies for an exemption from the bonding requirement. The primary type of contracting being performed determines the amount of bond to be posted. Bonds may also be required from applicants who are delinquent in paying Arizona taxes or have a history of delinquencies. Refer to the publication, Taxpayer Bonds, available online at www.azdor.gov or in Arizona Department of Revenue offices.			
WITHHOLDING LICENSE ONLY			
13* Withholding Physical Location Number and street (<u>Do not</u> use PO Box, PMB or route numbers)		City	State ZIP Code
County/Region		Country	

Continued on page 2 →

FOR AGENCY USE ONLY		
<input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Revise <input type="checkbox"/> Reopen	ACCOUNT NUMBER	DLN
	START	TRANSACTION PRIVILEGE TAX
	S/E DATE	WITHHOLDING / SSN / EIN
	COMPLETED DATE	EMPLOYEE'S NAME
	LIABILITY	LIABILITY ESTABLISHED

CASHIER'S STAMP ONLY. DO NOT MARK IN THIS AREA.

Name (as shown on page 1)

FEIN or SSN (as shown on page 1)

SECTION B: Identification of Owners, Partners, Corporate Officers Members/Managing Members or Officials of this Employing Unit

If you need more space, attach Additional Owner, Partner, Corporate Officer(s) form available at www.azdor.gov. If the owner, partners, corporate officers or combination of partners or corporate officers, members and/or managing members own more than 50% of or control another business in Arizona, attach a list of the businesses, percentages owned and unemployment insurance account numbers or provide a Power of Attorney (Form 285) which must be filled out and signed by an authorized corporate officer.

Owner 1	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	
Owner 2	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	
Owner 3	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)	*Country	

SECTION C: Transaction Privilege Tax (TPT)

1* Date Business Started in Arizona	2* Date Sales Began	3 What is your anticipated annual income for your first twelve months of business?
4 Filing Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Seasonal <input type="checkbox"/> Annual If seasonal filer, check the months for which you intend to do business: <input type="checkbox"/> JAN <input type="checkbox"/> FEB <input type="checkbox"/> MAR <input type="checkbox"/> APR <input type="checkbox"/> MAY <input type="checkbox"/> JUN <input type="checkbox"/> JUL <input type="checkbox"/> AUG <input type="checkbox"/> SEP <input type="checkbox"/> OCT <input type="checkbox"/> NOV <input type="checkbox"/> DEC		
5 Does your business sell tobacco products? <input type="checkbox"/> Yes → <input type="checkbox"/> Retailer OR <input type="checkbox"/> Distributor	6 TPT Filing Method <input type="checkbox"/> Cash Receipts <input type="checkbox"/> Accrual	7 Does your business sell new motor vehicle tires or vehicles? <input type="checkbox"/> Yes → You will have to file Motor Vehicle Tire Fee form available at www.azdor.gov
8* Tax Records Physical Location – number and street (Do not use PO Box, PMB or route numbers)		City State ZIP Code
County		Country
9* Name of Contact		* Phone Number (with area code) Extension

SECTION D: Transaction Privilege Tax (TPT) Physical Location

1* Business Name, "Doing Business As" or Trade Name at this Physical Location		
2* Physical Location of Business or Commercial/Residential Rental Number and street (Do not use PO Box, PMB or route numbers)		City State ZIP Code
County/Region		Country
Residential Rental Only – Number of Units		Reporting City (if different than the physical location city)
3* Additional County/Region Indian Reservation: County/Region and Indian Reservation Codes available at www.azdor.gov		
County/ Region		City
Business Codes (Include all codes that apply): See instructions. Complete list available at www.azdor.gov		
State/ County		City

If you need more space, attach Additional Business Locations form available at www.azdor.gov

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
---------------------------	----------------------------------

SECTION E: Withholding & Unemployment Tax Applicants

1* Regarding <i>THIS</i> application, Date Employees First Hired in Arizona _____	2 Are you liable for Federal Unemployment Tax? <input type="checkbox"/> Yes → First year of liability: _____								
3 Are individuals performing services that are excluded from withholding or unemployment tax? <input type="checkbox"/> Yes → Describe services: _____	4 Do you have an IRS ruling that grants an exclusion from Federal Unemployment Tax? <input type="checkbox"/> Yes → Attach a copy of the Ruling Letter.								
5 Do you have, or have you previously had, an Arizona unemployment tax number? <input type="checkbox"/> No <input type="checkbox"/> Yes → Business Name: _____ Unemployment Tax Number: _____									
6 First calendar quarter Arizona employees were/will be hired and paid (indicate quarter as 1, 2, 3, 4): _____	<table border="1" style="width: 100%;"> <tr> <th>Hired Year</th> <th>Hired Quarter</th> <th>Paid Year</th> <th>Paid Quarter</th> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>	Hired Year	Hired Quarter	Paid Year	Paid Quarter	_____	_____	_____	_____
Hired Year	Hired Quarter	Paid Year	Paid Quarter						
_____	_____	_____	_____						
7 When did/will you first pay a total of \$1,500 or more gross wages in a calendar quarter? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: \$20,000 gross cash wages Agricultural: \$1,000 gross cash wages Domestic/Household: not applicable to 501(c)(3) Non-Profit.</small>	<table border="1" style="width: 100%;"> <tr> <th>Year</th> <th>Quarter</th> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </table>	Year	Quarter	_____	_____				
Year	Quarter								
_____	_____								
8 When did/will you first reach the 20 th week of employing 1 or more individuals for some portion of a day in each of 20 different weeks in the same calendar year? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: 10 or more individuals Agricultural; 4 or more individuals 501(c)(3) Non-Profit; not applicable to Domestic/Household.</small>	<table border="1" style="width: 100%;"> <tr> <th>Year</th> <th>Quarter</th> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </table>	Year	Quarter	_____	_____				
Year	Quarter								
_____	_____								

SECTION F: Acquired Business Information

If you answered "Yes" to Section A, question 11, you must complete Section F.

1* Did you acquire or change all or part of an existing business? <input type="checkbox"/> All <input type="checkbox"/> Part	2* Date of Acquisition _____	3* EIN of Business Under Previous Owner _____
4* Previous Owner's Telephone Number _____	5* Name of Business Under Previous Owner _____	6* Name of Previous Owner _____
7* Did you change the legal form of all or part of the Arizona operations of your existing business? (e.g., change from sole proprietor to corporation or etc.) <input type="checkbox"/> All <input type="checkbox"/> Part	8* Date of Change _____	9* EIN of Previous Legal Form _____

SECTION G: AZTaxes.gov Security Administrator (authorized users)

By electing to register for www.AZTaxes.gov, you can have online access to account information, file and pay Arizona transaction privilege, use, and withholding taxes. You may also designate authorized users to access these services. Please provide the name of the authorized user for AZTaxes.gov.

Name of Authorized User
Title
Email Address
Phone Number (with area code)

SECTION H: Required Signatures

This application must be signed by either a sole owner, at least two partners, managing member or corporate officer legally responsible for the business, trustee or receiver or representative of an estate that has been listed in Section B.

Under penalty of perjury I (we), the applicant, declare that the information provided on this application is true and correct. I (we) hereby authorize the security administrator, if one is listed in Section G, to access the AZTaxes.gov site for the business identified in Section A. This authority is to remain in full force and effect until the Arizona Department of Revenue has received written termination notification from an authorized officer.

1 Print or Type Name _____	2 Print or Type Name _____
Title _____	Title _____
Date _____	Date _____
Signature _____	Signature _____

This application must be completed, signed, and returned as provided by A.R.S. § 23-722.

Equal Opportunity Employer/Program

This application available in alternative formats at Unemployment Insurance Tax Office.

PLEASE COMPLETE SECTION I: STATE/COUNTY & CITY LICENSE FEE WORKSHEET TO CALCULATE AND REMIT TOTAL AMOUNT DUE WITH THIS APPLICATION.

Name (as shown on page 1)

FEIN or SSN (as shown on page 1)

SECTION I: State/County & City License Fee Worksheet

ALL FEES ARE SUBJECT TO CHANGE. Check for updates at azdor.gov.

To calculate **CITY FEE**: Multiply No. of Locations by the License Fee and enter sum in License Subtotal.

City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal
Apache Junction	AJ		\$50.00		Goodyear	GY		\$5.00		Sahuarita	SA		\$5.00	
Avondale	AV		\$40.00		Guadalupe	GU		\$2.00		San Luis	SU		\$2.00	
Benson	BS		\$5.00		Hayden	HY		\$5.00		Scottsdale	SC		\$50.00	
Bisbee	BB		\$1.00		Holbrook	HB		\$1.00		Sedona	SE		\$2.00	
Buckeye	BE		\$2.00		Huachuca City	HC		\$2.00		Show Low	SL		\$2.00	
Bullhead City	BH		\$2.00		Jerome	JO		\$2.00		Sierra Vista	SR		\$1.00	
Camp Verde	CE		\$2.00		Kearny	KN		\$2.00		Snowflake	SN		\$2.00	
Carefree	CA		\$10.00		Kingman	KM		\$2.00		Somerton	SO		\$2.00	
Casa Grande	CG		\$2.00		Lake Havasu	LH		\$5.00		South Tucson	ST		\$2.00	
Cave Creek	CK		\$20.00		Litchfield Park	LP		\$2.00		Springerville	SV		\$5.00	
Chandler	CH		\$50.00		Mammoth	MH		\$2.00		St. Johns	SJ		\$2.00	
Chino Valley	CV		\$2.00		Marana	MA		\$5.00		Star Valley	SY		\$2.00	
Clarkdale	CD		\$2.00		Maricopa	MP		\$2.00		Superior	SI		\$2.00	
Clifton	CF		\$2.00		Mesa	ME		\$30.00		Surprise	SP		\$10.00	
Colorado City	CC		\$2.00		Miami	MM		\$2.00		Taylor	TL		\$2.00	
Coolidge	CL		\$2.00		Nogales	NO		\$25.00		Tempe	TE		\$50.00	
Cottonwood	CW		\$2.00		Oro Valley	OR		\$12.00		Thatcher	TC		\$2.00	
Dewey/Humboldt	DH		\$2.00		Page	PG		\$2.00		Tolleson	TN		\$2.00	
Douglas	DL		\$5.00		Paradise Valley	PV		\$2.00		Tombstone	TS		\$1.00	
Duncan	DC		\$2.00		Parker	PK		\$2.00		Tucson	TU		\$45.00	
Eagar	EG		\$10.00		Patagonia	PA		\$25.00		Tusayan	TY		\$2.00	
El Mirage	EM		\$15.00		Payson	PS		\$2.00		Wellton	WT		\$2.00	
Eloy	EL		\$10.00		Peoria	PE		\$50.00		Wickenburg	WB		\$2.00	
Flagstaff	FS		\$46.00		Phoenix	PX		\$50.00		Willcox	WC		\$25.00	
Florence	FL		\$2.00		Pima	PM		\$2.00		Williams	WL		\$2.00	
Fountain Hills	FH		\$2.00		Pinetop/Lakeside	PP		\$2.00		Winkelman	WM		\$2.00	
Fredonia	FD		\$10.00		Prescott	PR		\$25.00		Winslow	WS		\$10.00	
Gila Bend	GI		\$2.00		Prescott Valley	PL		\$2.00		Youngtown	YT		\$10.00	
Gilbert	GB		\$2.00		Quartzsite	QZ		\$2.00		Yuma	YM		\$2.00	
Glendale	GE		\$0.00		Queen Creek	QC		\$2.00						
Globe	GL		\$2.00		Safford	SF		\$2.00						

Subtotal City License Fees
(column 1) \$Subtotal City License Fees
(column 2) \$Subtotal City License Fees
(column 3) \$**AA TOTAL City License Fee(s)** (column 1 + 2 + 3) \$**BB TOTAL State License Fee(s)**: Calculate by multiplying number of business locations by \$12.00**Residential Rental License Fees** - Multiply the number of units per locations by \$2.00
(\$50.00 Annual Cap per license).ONLY CHANDLER, PHOENIX, and SCOTTSDALE
need to use this section, and NOT the fee chart above,
to calculate license fee(s).
The amount for each city CANNOT EXCEED \$50.00

Residential Rental License-Chandler

Residential Rental License-Phoenix

Residential Rental License-Scottsdale

No. of Loc's	Fee per Location	TOTAL
	\$12.00	\$
No. of Units	No. of Loc's	City Fee
		\$
		\$
		\$

CC TOTAL City Residential Rental License Fees (Add Chandler, Phoenix, & Scottsdale) \$**DD TOTAL DUE** (Add lines AA + BB + CC) \$

- Make check payable to Arizona Department of Revenue.
- Include FEIN or SSN on payment.
- Do not send cash.
- License will not be issued without full payment of fee.

PO Box 29010 - Phoenix, AZ 85038-9010

For assistance out of state or in the Phoenix area: (602) 255-2060 or
Statewide, toll free area codes 520 and 928: (800) 843-7196

☐ AMENDED RETURN ☐ FINAL RETURN
(Cancel License) ☐ CHECK HERE AND SIGN BELOW IF YOU
HAVE NO GROSS RECEIPTS TO REPORT

BUSINESS NAME		
C/O		
MAILING ADDRESS		
CITY	STATE	ZIP CODE
<input type="checkbox"/> ADDRESS CHANGED (MAILING ADDRESS ONLY)		BUSINESS PHONE NUMBER

TPT-2 return is due the 20th day of the month following the month in which the transactions were conducted

TAXPAYER IDENTIFICATION NUMBER		<input type="checkbox"/> SSN	<input type="checkbox"/> EIN
LICENSE NUMBER			
PERIOD BEGINNING		PERIOD ENDING	
REVENUE USE ONLY. DO NOT MARK IN THIS AREA			
POSTMARK DATE		RECEIVED DATE	

AA NET AZ/COUNTY TAX (PAGE 2, LINE MM, COLUMN (M)).....

BB NET CITY TAX (PAGE 3, LINE RR, COLUMN (M)).....

CC NET TAX DUE ON THIS RETURN (LINE AA + LINE BB = LINE CC).....

DD TPT ESTIMATED PAYMENTS TO BE USED ON THIS RETURN (JUNE RETURN ONLY, DUE IN JULY).....

EE TAX DUE NET OF TPT ESTIMATED PAYMENTS (LINE CC - LINE DD = LINE EE).....

FF TOTAL AMOUNT REMITTED WITH THIS RETURN.....

NOTE: A TRANSACTION DETAIL PAGE IS REQUIRED OR THE RETURN WILL NOT PROCESS CORRECTLY AND PENALTIES MAY APPLY.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

☐ The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorize the disclosure of confidential information to this individual.

TAXPAYER PRINTED NAME

TAXPAYER SIGNATURE

DATE _____

PAID PREPARER'S SIGNATURE (OTHER THAN TAXPAYER)

TAXPAYER PHONE NO.

TITLE

PAID PREPARER'S TIN

PAID PREPARER'S PHONE NO.

PLEASE MAKE CHECK PAYABLE TO ARIZONA DEPARTMENT OF REVENUE

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B) REG. CODE	(C) NAME OF REGION	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) AZ / COUNTY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K) ACCTNG CREDIT RATE	(L) (H) X (K) = (L) ACCOUNTING CREDIT	(M) (J) - (L) = (M) AZ/COUNTY TAX DUE
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19												
20												
21												
22												
23												
24												
25												
GG SUBTOTAL												
HH TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S)												
II TOTAL (LINE GG + LINE HH = LINE II)												
JJ EXCESS TAX COLLECTED												
KK EXCESS TAX ACCOUNTING CREDIT: (SEE INSTRUCTIONS)												
LL NET AZ/COUNTY EXCESS TAX COLLECTED (LINE JJ, COLUMN (M) - LINE KK, COLUMN (M))												
MM NET AZ/COUNTY TAX (LINE II, COLUMN (M) + LINE LL, COLUMN (M))												

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
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NN CITY SUBTOTAL												
OO CITY SUBTOTALS FROM ADDITIONAL CITY PAGE(S)												
PP CITY TOTAL (LINE NN + LINE OO = LINE PP)												
QQ CITY EXCESS TAX COLLECTED												
RR NET CITY TAX (LINE PP, COLUMN (M) + LINE QQ, COLUMN (M))												

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 2A OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B) REG. CODE	(C) NAME OF REGION	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) AZ / COUNTY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K) ACCTNG CREDIT RATE	(L) (H) X (K) = (L) ACCOUNTING CREDIT	(M) (J) - (L) = (M) AZ/COUNTY TAX DUE
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23												
24												
25												
AZ/COUNTY SUBTOTAL					\$	\$				\$	\$	

ADD SUBTOTALS OF AZ/COUNTY ADDITIONAL TRANSACTIONS TO THE 2ND PAGE OF RETURN

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 3A OF _____

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
1												
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25												
CITY SUBTOTAL					\$	\$					\$	\$

ADD SUBTOTALS OF CITY ADDITIONAL TRANSACTIONS TO THE 3RD PAGE OF RETURN

**TPT-2 – SCHEDULE A DEDUCTIONS – STATE/COUNTY
TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX**

LICENSE NUMBER: _____

Page _____ of _____

STATE (AZ) /COUNTY DEDUCTIONS DETAIL

(A)	(B) REGION CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1				\$	
2				\$	
3				\$	
4				\$	
5				\$	
6				\$	
7				\$	
8				\$	
9				\$	
10				\$	
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25				\$	
26				\$	
27				\$	
28				\$	
29				\$	
30				\$	
31				\$	
32				\$	
33				\$	
34				\$	
35				\$	
AA SUBTOTAL OF DEDUCTIONS.....				\$	
BB DEDUCTION TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S) ...				\$	
CC TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....				\$	

TOTAL MUST EQUAL TOTAL ON PAGE 2, LINE II, COLUMN G

**TPT-2 – SCHEDULE A DEDUCTIONS – CITY
TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX**

LICENSE NUMBER: _____

Page _____ of _____

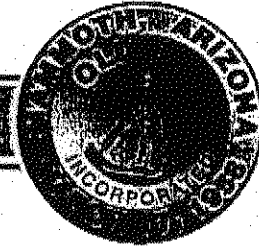
CITY DEDUCTIONS DETAIL

	(A) LOCATION CODE	(B) CITY CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1					\$	
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28					\$	
29					\$	
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34					\$	
35					\$	
AA	SUBTOTAL OF DEDUCTIONS.....				\$	
BB	DEDUCTION TOTALS FROM ADDITIONAL CITY PAGE(S).....				\$	
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....				\$	

TOTAL MUST EQUAL TOTAL ON PAGE 3, LINE PP, COLUMN G

ITEM NO. 7C

Town Of Mammoth



May 15, 2015

To: County Board of supervisors, Town Mayors and Managers from Donald Jones Mayor of Mammoth. I am writing this letter asking for your support on the below listed items.

As most of you know the small towns in Arizona are shrinking in size due to the larger cities and town expansions. State Shared Revenue allows an extra 3% for towns over 300,000 in population. I feel this is working backwards and small towns should receive this 3%. As larger towns grow, they shrink our piece of the pie and funding is decreased for small towns. I feel at the rate larger cities and towns are growing, small towns will die in less than 20 years. I am targeting towns with populations under 5,000.

I am submitting this proposal to Pinal County Supervisors with the hope of introducing a bill with these facts for their review. I have one Senator backing this idea and will support it if it passes the County Supervisors. I feel this is a bipartisan issue for the good of all small towns and will be asking for more Senators for their support. I also need support from other Town Managers and Mayors to increase State Shared Revenue to all small towns.

Legislature needs to be aware small towns are in an emergency situation

There are funds available in these areas:

- Drivers licensing: Now issued to age 65. Change to 5 years at \$25.00.
- 5% of lottery sales to towns where sales were generated (their county).
- 5% increase from State Shared Revenue.

Town Name _____

Mayor/Town Manager _____

Thanks for your support in my effort to increase small town funding.

Don Jones,


Mayor Town of Mammoth

Handicapped individuals with special accessibility needs may contact the ADA Coordinator for the Town of Mammoth, at (520) 487-2331. (V/TDD)

Telephone
(520) 487-2331 V/TDD

Mailing: P.O. Box 130, Mammoth, Arizona 85618
Street: 125 N. Clark Street, Mammoth, Arizona 85618
e-mail townofmammoth@theriver.com

FAX
(520) 487-2152

ITEM NO. 7D



Tusayan Town clerk <tusayanclerk@gmail.com>

Fwd: A new USDA RCDI Grant

1 message

Will Wright <tusayantownmanager@gmail.com>

Wed, Jun 17, 2015 at 6:42 AM

To: Melissa Drake <tusayanclerk@gmail.com>

Another item

Sent from my iPhone

Begin forwarded message:

From: gbtusayan <gbtusayan@gmail.com>**Date:** June 17, 2015 at 5:40:41 AM MST**To:** Will Wright <tusayantownmanager@gmail.com>, Bill Bolin <billbolin@hotmail.com>**Cc:** John Rueter <john@jwrueter.com>**Subject:** Re: A new USDA RCDI Grant

Will

I would agree that this is something we should pursue. Please place on Agenda for next meeting.
Thank you.

Greg

Sent via the Samsung Galaxy S® 6, an AT&T 4G LTE smartphone

----- Original message -----

From: Will Wright <tusayantownmanager@gmail.com>**Date:** 06/16/2015 3:47 PM (GMT-07:00)**To:** Bill Bolin <billbolin@hotmail.com>**Cc:** John Rueter <john@jwrueter.com>, Greg Bryan <gbtusayan@gmail.com>**Subject:** Re: A new USDA RCDI Grant

Bill, I think the town is open and supportive of any effort to obtain grant monies for internet improvements especially at no added cost. Thanks will

Sent from my iPhone

On Jun 16, 2015, at 2:37 PM, Bill Bolin <billbolin@hotmail.com> wrote:

As you know, I seek out grants and funding opportunities for the Tusayan Broadband Project.

I am asking for your permission to pursue this RCDI grant.

The USDA Rural Community Development Initiative (RCDI) grant has been released. Here is a little background and pertinent information:

1. I asked USDA if STS could apply under one entity for three regional broadband

programs. The three regions include: Tusayan, Copper Corridor, and possibly Benson, AZ. Rationale: more money for one grant. one application, not three in competition with each other.

2. USDA gave the approval to apply under one entity. The proposed entity will be AZ Telecommunications Information Council (ATIC).

Rationale: ATIC has been in business for 22 years. Board and Associates are from telecommunications fields. Main objective is Rural Broadband.

Affiliations with e-Rate learning, Dept. of Education, UofA's Telemedicine.

3. ATIC serving as entity will contract with STS to provide: technical training (broadband), economic development (broadband), and community development (skill sets: soft and technical), small business retention and expansion.

Rationale: By collaborating, Tusayan will be able to collectively achieve more economic/community development to augment the Broadband Project.

Arizona has never been awarded an RCDI grant. It will be a rough road! STS initiated a USDA Rural Business Enterprise Grant utilizing the talent of NACOG (4 counties) and Copper Corridor (2 counties) to jointly provide Technical Assistance Training programs for six counties. This was never done before in Arizona. USDA awarded the RBEG and it was started FY 2013 and concluded in CY 2014 and exceeded results in deliverables.

We could do something new again in Arizona, working with USDA on a joint USDA-RCDI application. NO additional charges, just part of STS contract.

What do you think?

Bill

JOBS for Arizona
Systems Technology Staffing (STS)
Bill Bolin, V.P. Operations
480-563-8553 or cell: 480-639-7138

ITEM NO. 7G

WOODSON

ENGINEERING & SURVEYING, INC.

124 N. Elden St., Flagstaff, AZ 86001
928-774-4636 • Fax 928-774-4646

TOWN OF TUSAYAN

STAFF REPORT

DATE: June 18, 2015

TO: Members of the Tusayan Town Council

FROM: Rick Schuller, Town Engineer - Woodson Engineering

SUBJECT: Update on Baseball and Soccer Fields planned construction at School District Parcel

This memo is to provide an update on the baseball and soccer field planned construction at the School District Parcel, 502-17-027. Woodson Engineering has thus far completed the grading plan and the associated earthwork calculation. In summary, the net fill needed will be 26,250 cubic yards of dirt, which accounts for 20% shrinkage. We are developing a final bid package which consists of: 100% Engineered plans, Specifications, Bid Documents, and an Engineer's Cost Estimate.

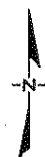
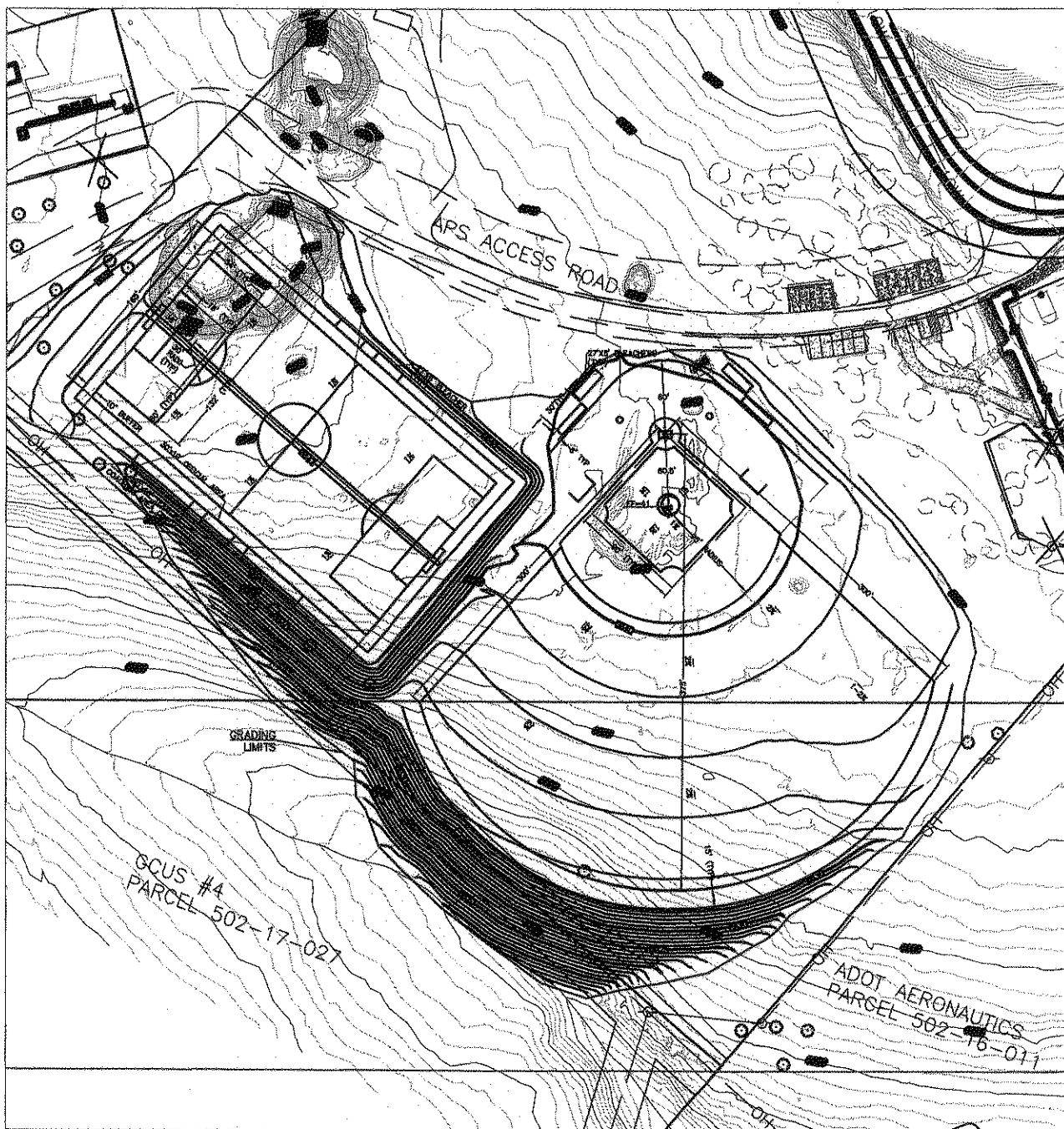
Next Steps:

We are here to answer any questions and obtain any comments regarding the design, written or verbal, for consideration. We will make a formal submittal to the Town at the 100% stage of our Bid package. Project will be bid to earthwork contractors for competitive pricing.

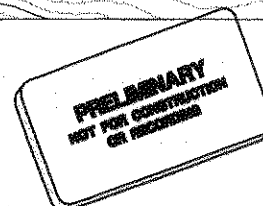
Thank you again for the opportunity to work with you and feel free to contact us if you have any questions, comments or need any additional information.

Regards,

WOODSON ENGINEERING



NOT TO SCALE



DRAFTED BY: MBF
 DATE: 06/19/2015
 PROJ. NO.: 114658
 FN: ballfield exh.dwg

WOODSON
 ENGINEERING AND SURVEYING, INC.
 124 N. ELDEN ST.
 FLAGSTAFF, AZ 86001
 PHONE: (928) 774-4636 FAX: (928) 774-4646

BALL FIELDS
 BASEBALL/SOCCER
 TOWN OF TUSAYAN

ITEM NO. 7I



Tusayan Town clerk <tusayanclerk@gmail.com>

Fwd: Travel expenses

1 message

Will Wright <tusayantownmanager@gmail.com>
To: Tusayan Town clerk <tusayanclerk@gmail.com>

Thu, Jun 18, 2015 at 2:05 PM

Will Wright, Manager
Town of Tusayan
928-637-4297 cell
928-638-9909 office

----- Forwarded message -----

From: **Alvarado, Ruth** <RALvarad@courts.az.gov>
Date: Thu, Jun 18, 2015 at 2:00 PM
Subject: RE: Travel expenses
To: Will Wright <tusayantownmanager@gmail.com>

I apologize, it is .445 cents per mile, not per gallon.

From: Will Wright [mailto:tusayantownmanager@gmail.com]
Sent: Thursday, June 18, 2015 9:52 AM
To: Alvarado, Ruth
Subject: Re: Travel expenses

Ruth: Your mileage rate of .445 per gallon was perplexing and the other lodging and meal rates, though typical, are going to be low for Tusayan. Please review and resend any corrections then we'll take it to Council for their consideration on June 24th. thanks, will

Will Wright, Manager
Town of Tusayan
928-637-4297 cell
928-638-9909 office

On Fri, Jun 5, 2015 at 3:31 PM, Alvarado, Ruth <RALvarad@courts.az.gov> wrote:

Hi Will, Judge Krombeen asked me email you on this and I got the information that is currently used for the Justice Court on expenses.

For mileage, the county pays .445 cents per gallon. I've included a travel estimate from the court here to the Town Hall there.

For lodging, there are currently different rates and we're not exactly sure why and we do acknowledge that Tusayan's rates are a bit higher so we could consider a possibility if a hotel may be able to do a contract to have a set rate for us.

For March 1 thru September 30, the rate is \$81.00.

For October 1 thru October 31, the rate is also \$81.00.

And from November 1 thru February 28, 2016 the rate is \$65.00.

As for the meals, the breakdown is:

Breakfast: \$8.00

Lunch: \$11.00

Dinner: \$20.00

Or \$39.00 per day.

This is just the County does currently on reimbursements and if you have any questions, please feel free to contact me. Thank you and hope you have a great weekend!

From: Will Wright [mailto:tusayantownmanager@gmail.com]

Sent: Thursday, May 28, 2015 3:42 PM

To: Krombeen, Robert

Subject: Re: Travel expenses

Judge for the delay in getting back to you. If you could suggest the mileage, meal and lodging rates paid by Williams then we could consider something on these monthly visits. thanks, will

Will Wright, Manager

Town of Tusayan

928-637-4297 cell

928-638-9909 office

On Fri, May 22, 2015 at 12:11 PM, Krombeen, Robert <rkrombeen@courts.az.gov> wrote:

Good afternoon Will,

Thank you for the opportunity to present our vision to the council last night. We look forward to increasing our communications with the Town as we expand and improve our services being provided through the IGA for further development of your court.

As we have recently had increased travel to the Town and expenses associated with that travel, we wanted to approach you about how we could, and should request reimbursement for travel and associated expenses, particularly since the Town is not currently compensating the county for court services provided.

Typically we see us traveling to the town hall on one Tuesday a month, and sometimes those court dates should be of short duration and we could return to Williams by lunchtime. I could envision us occasionally running up to, or through the lunch. Yesterday was a slightly different example, but Ruth and I worked until we had to leave to come up for the council meeting, and subsequently had to grab dinner in Tusayan due to time and travel restraints.

Thanks Will--any help or suggestions appreciated!



Robert Krombeen

Justice Of The Peace/Magistrate

Williams Justice and City Court

Coconino County

928.679.7694

rkrombeen@courts.az.gov

ITEM NO. 8A

TUSAYAN ACTION LIST

6/18/2015

Project # Task #	Project Name	Status	Action
114675	Tusayan Town Engineer		
5	Consulting	On-going	Weekly Status Calls
7	Private Development General Review	On-going	None at this time
11	City Mapping	In Progress	Utility Systems on Maps
21	Sports Complex Ball Fields	In Design/Bid	Present 75% Plans; Prepare Bid Package, Final Plans, Bid Project ASAP
22	School/Park Lease Parcel Description	Complete	
52	NFIP Application	Complete	Tusayan now in NFIP Program
53	Forest Service Basins	In Progress	Siting Basins on Maps, Field Review with Rancher
70	Private Development Review - Squire	On-going	None at this time
71	Private Development Review GCCV	On-going	None at this time
72	Bid Assistance	On-going	Will assist in Ball Fields Bid Process
114682	Tusayan CDBG Park		
60	Construction Documents (NTE)	Cancelled	Put Plans/Specs out to Bid. Maintenance Agreement, Easements
61	Construction Documents 2 (CP)	In Progress	Discussing Sanitary District Ownership; Rebid
114683	Tusayan Subdivision Regulation Dev		
15	Subdivision Regulations	In Progress	Presented at Planning & Zoning Tuesday Night
114684	Tusayan IEA and Hydrology		
2	Administration	In Progress	Met with Coconino County. Moving ahead with their support. July 15 next phase IEA.
50	Reports/Studies	In Progress	Draft report submitted to County May 15.
51	Drainage Basin Delineations	In Progress	Complete. Flow rates under review.
52	Research & Determinations	In Progress	Field Inventory complete. Waiting on County for Incident Letter.
53	Hydrologic Analysis	In Progress	In review Coconino County, Submitted May 15.
114685	Tusayan Supplemental Mapping		
11	Town Supplement	Complete	Present Maps to Council
12	Aerial Use Improvements	Complete	Present Maps to Council
13	Highway Corridor Maps	Complete	Present Maps to Council
14	Flood Basins Topo Maps	Complete	Present Maps to Council

ITEM NO. 9



Northern Arizona Council of Governments

Economic Workforce Development Division

221 N Marina Street, Suite 201 – P.O. Box 2451- Prescott, AZ 86302
PHONE (928) 778-1422 FAX (928) 778-1756

CHRIS FETZER
Executive Director

TERI DREW
Regional Director

June 10, 2015

Will Wright
Tusayan
PO Box 709
Tusayan, AZ 86023

Dear Mr. Wright,

It is time to update the NACOG Economic Development District's Goals and Priorities List for 2015. A copy of the current Goals and Priorities List for 2014-2015 is enclosed for your reference and input and updates. .

As a reminder, the Comprehensive Economic Development Strategy (CEDS) is a planning document required by the US Department of Commerce Economic Development Administration (EDA). District sponsored EDA funds will only be considered for those projects listed within the Goals and Priorities List. Therefore, it is important for you to update the enclosed project list for your City, Town or County. Projects must compliment the Northern Arizona CEDS, which can be viewed electronically at NACOG.org.

The projects contained on the Goals & Priorities list should include only those projects that your community intends to apply for between July 1, 2015 and June 30, 2016. If you do not intend to apply for an EDA funded project by June 2016, please remove the project from the list. If we do not hear from your area, items on the current list will be automatically deleted. After review, please return your updated document to Tracy MacIlroy at NACOG, 221 N. Marina St. Suite 201, Prescott, AZ 86301 or email to tmacilroy@nacog.org no later than **June 29, 2015**.

If you have any questions, please do not hesitate to contact me at (928) 778-1422. Thank you for your cooperation.

Sincerely,

Teri Drew
Regional Director

TD: tm
encl

**NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
DISTRICT PROJECTS, GOALS AND PRIORITIES
January – June 2015**

GOAL/PROJECT	COMMUNITY/COUNTY	
<u>CAPITAL AVAILABILITY – 1</u>		
<i>(Sources of funding available to the Communities.)</i>		
Revolving Loan Fund	Cottonwood	
Revolving Loan Fund	Show Low	Priority 3
<u>PHYSICAL INFRASTRUCTURE – 2</u>		
<i>(Acquisition, development, design and engineering, construction, rehabilitation, alteration, expansion or improvement of public works projects that serve the public including related machinery and equipment.)</i>		
Ashfork Management Facility for Aerated Concrete	Ash Fork	Priority 1
Apache County Fairground and Round Valley Rodeo Grounds Rehabilitation and Safety Improvements	Apache County	
Old Home Manor Industrial Park	Chino Valley	Priority 2
Industrial Park Water & Sewer Extension	Chino Valley	Priority 1
Innovation Mesa Phase 2 Project	City of Flagstaff	
Vetraplex of Clarkdale	Clarkdale	
Southwest Wine Center	Clarkdale	
Center for Economic Development and Workforce Development Training (two phase)	Coconino County	Priority 3
Cherenkov Telescope Array	Coconino County	Priority 1
Business Assistance Center	Coconino County	Priority 1
Water System Improvements	Cottonwood	
Design and Engineering, Construction Expansion of Roads	Dewey-Humboldt	
Purchasing Machinery and Equipment	Dewey-Humboldt	
Create Public Parking Area at Old Town Yard	Jerome	Priority 2
Coppermine Road Waterline Extension	Page	
I&I Rehabilitation Program	Show Low	Priority 1
Water Line Replacement (Fairway Park)	Show Low	Priority 1
Wastewater Treatment Plant Design/Construction	Show Low	Priority 1
Show Low Heights Roadway Reconstruction	Show Low	Priority 1
Wi-Fi Development	Show Low	Priority 2
Weinma Bridge	Springerville	
Airport Bridge	Springerville	
Southwest Regional Training Center	Springerville	
Public Safety Facilities Bldg (Police/Fire)	Springerville	
Mountain View Water Main Project	St. Johns	Priority 1
Water Storage Tank	Taylor	

Expand & Improve Area's Water Delivery System(s)	Tusayan	
Increase Broadband Capacity	Tusayan	
Improve Drainage Systems	Tusayan	
Community Park Improvements	Tusayan	
New Chair Lift System	White Mtn. Apache Tribe	Priority 1

SUSTAINABLE ECOLOGICAL RESOURCES – 3

(Effective use of technology and natural resources to maximize energy efficiency and reduce the global carbon footprint.)

Solar Power for Municipal Buildings	Jerome	
Water Harvesting Project	Prescott Valley	
Drainage improvements Kaibab National Forest	Tusayan	

BUSINESS RETENTION AND EXPANSION – 4

(Programs, services or facilities to support existing businesses develop and expand.)

Apache County&Northeast Arizona Regional Business Incubator	Apache County	
Small Business Development & Incubation Center	Chino Valley	Priority 1
Business Incubation Program	Camp Verde	Priority 1
Coppermine Road Waterline Extension	Page	
Small Business Incubator Development	Pinetop-Lakeside	
Regional University Infrastructure/Building	Prescott Valley	
Streetscape Enhancement	Show Low	Priority 1
Downtown Revitalization	Springerville	
Broadband improvements	Tusayan	

ATTRACTIONS OF BASIC SECTOR INDUSTRY – 5

(Attract new prospects and utilize current industry to promote industrial development and improvements.)

Airpark Light Industrial Project	Cottonwood	
Coppermine Road Waterline Extension	Page	
Small Business Incubator Building	Show Low	Priority 3
Regional Fire Base and Training Center	Show Low	Priority 1
Industrial Park Infrastructure at Airport	Springerville	
AZ State Route 87 to Interstate 40 Connector Enhancement	Winslow	

TRANSPORTATION – 6

(Improves and promotes the use of many modes of transport including roadways, bicycles, walking, rails, and other transit.)

Apache County Fairground-St. Johns Mobility Trail	Apache County	
Road 4 North Expansion to Industrial Park	Chino Valley	Priority 1

To Include the Development of Roadways, Walking Paths, Equestrian Trails, and Bicycle Paths	Dewey-Humboldt	
Replacement of Town Shuttle (van)	Jerome	
Pedestrians Paths along Porter Mountain Road, Moonridge Drive and Woodland Road	Pinetop-Lakeside	
Scott Ranch Road Phase 2	Show Low	Priority 1
Whipple Road, Central Avenue to Whipple Wash	Show Low	Priority 1
Woolford Road (SR260 to Penrod)	Show Low	Priority 2
Sidewalks and Bicycle Lanes	Springerville	
AZ State Route 87 to Interstate 40 Connector Enhancement	Winslow	

TOURISM – 7

(Promoting tours, services, attractions, advertisements, etc., that lengthen the stay of visitors in Northern Arizona.)

Apache County/EDC-Arizona Grand Circle Visitor Tour	Apache County	
Ski-lift improvements for Sunrise Ski area	Apache County	
Enhance Marketing Efforts to State and National Parks and Capitalize on Growing Wine Industry	Camp Verde	Priority 1
Development of Historic District	Camp Verde	Priority 2
Maintain Fort Verde State Park	Camp Verde	Priority 1
Gateway Signage	Camp Verde	Priority 2
To Include the Promotion and Advertisements for the Community	Dewey-Humboldt	
Coppermine Road Waterline Extension	Page	
Multi-Purpose Sports and Recreation Complex	Show Low	Priority 3
Convention/Conference/Events Center	Show Low	Priority 2
Little Colorado Riverwalk	Springerville	
Marketing & Branding Study	Tusayan	
Beaver Creek Golf Course Redevelopment Plan	Yavapai	

HUMAN RESOURCES AND SOCIAL ENVIRONMENT – 8

(To promote labor development, education and training.)

Workforce Development Program	Camp Verde	Priority 1
Road 4 North Extension to Industrial Park	Chino Valley	Priority 1
Center for Economic Development and Workforce Development Training (2 nd phase)	Coconino County	Priority 3

BASIC COMMUNITY SERVICES AND AMENITIES -9

(Includes parks and recreation, availability of local services provided by both the government and the private sector to enrich the community.)

To Include the Development of Parks and Recreation Equipment	Dewey-Humboldt	
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Regional Public Safety Communications Center	Show Low	Priority 1
Multi-Purpose trails	Springerville	
Park Improvements	Springerville	
New Animal Control Kennels	Springerville	
Rural Hospital Expansion & Accessibility	Springerville	
Emergency Communications Equipment	Taylor	
Emergency Medical Equipment	Taylor	

TECHNICAL ASSISTANCE – 10

(The provision of staff time and attention or tools such as model regulations, disability studies, planning, research and development projects to assist communities.)

Solar Development Feasibility Study	Apache County	
Old Home Manor Industrial Park Designation	Chino Valley	Priority 1
Ft. Valley Cultural & Historic District Corridor	Coconino County	Priority 1
Ft. Tuthill County Park Economic Development	Coconino County	Priority 2
Economic Development Strategic Plan	Pinetop-Lakeside	
Real Arizona Development Council Branding Strategy	Pinetop-Lakeside	
Tourism Promotion Plan	Show Low	Priority 3
GPS Utility Location/Mapping	Taylor	
Broadband improvements	Tusayan	